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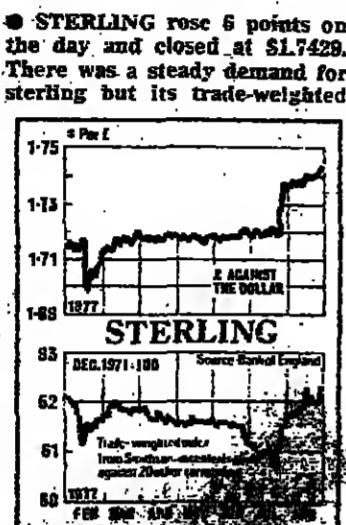
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NEWS SUMMARY

GENERAL
Smith reads victory
 Ian Smith, the Rhodesian Prime Minister, was heading off a night for a clean sweep of 50 white seats in the Rhodesian General Election. With 25 results declared, Mr. Smith was enjoying a swing of 10 per cent in his favour. The winning Rhodesian Action Party came third in all but one of the contests, with Mr. Colin Leake among its most prominent members, losing his Salisbury suburban seat. Aamba last night alleged that Rhodesian jets had bombed his farm near the border town of Tlokweng. Dr. David Owen, Foreign Secretary, is to present the new American Rhodesian settlement proposals to Mr. Smith in a hurry to-day. Back Page.

BUSINESS

Sterling up six points to \$1.7429
 STERLING rose 6 points on the day and closed at \$1.7429. There was a steady demand for sterling but its trade-weighted index fell 0.57.



Light control strike called

Flight control assistants are expected to go on strike to-day because of a Civil Aviation Authority attempt to suspend without pay assistants who refuse to work normally. The Civil and Public Services Union has called an indefinite strike because of the attempt. But it decided not to out teleprinter operators and administrative staff at this time. Back Page.

actors pledge

Peter Shore, Environment Secretary, has told the Windermere Inquiry that there would be a full and widening inquiry if Britain decided to go ahead with a programme of fast reactor reactors. Page 5.

Norway probe

Swedish police have forced a file to the Director of Prosecutions after investigating alleged irregularities concerning motorway and trunk road contracts for 10/1/1975 interchange. Back Page.

Attack

Socialist Workers' Party in Shoreditch, East London, was damaged in a fire. Petrol was poured on the letterbox of the party. Page 5.

100 wounded

The magnate Mr. Harry Gold, aged 70, was given a two-year prison sentence for a £1,000 bribe in Lincoln Court after admitting wounding his valet. Mr. Gold was said to have his "devoted servant" for his firing at him with a gun and breaking his leg. Page 5.

fly...

Bankers are doubling the reward offered to the informant on bank for information on bank from £2,500 to £5,000. Page 5.

Bangladesh

Floods in Bangladesh and nearby families had to flee from homes. Page 5.

Army

British Army in the Army is being formed to headquarters at Bielefeld. Page 5.

Three people

were killed yesterday in the Cathedral's Lady Chapel. Page 5.

test waiting

time has been cut by more than a month for the first half of 1977 from a year to 11½ weeks, says Lex.

PRICE CHANGES YESTERDAY

London United	126 + 8
May & Hassell	76 + 6
Rank Org	234 + 10
Reed Intl	203 + 9
Reynolds Parsons	222 + 12
Sainsbury (J.)	197 + 9
Smith (W. H.) A	730 + 25
Sun Alliance	538 + 10
Taylor Woodrow	412 + 12
Thorn Elect A	888 + 14
Tilling (T)	220 + 9
Turner & Newall	44 + 5
Whitaker (B. S. & W.)	586 + 8
A.A.R.	1521 + 10
Gopeng Coos.	230 + 15
RTZ	213 + 6
Welkom	185 + 9
Winkelhaak	306 + 28
Royal Worcester	120 + 10
Pfaffmattner	630 + 106
Peko-Walsend	870 + 15

TUC—Grunwick confrontation moves step closer

BY NICK GARNETT, LABOUR STAFF

The prospect of a direct confrontation between the TUC and the Grunwick film processing company came closer yesterday with the rejection by Mr. George Ward, the company's managing director, of one of the central recommendations made by the Scarman inquiry.

Mr. Ward accepted one of the recommendations—that individual workers should be represented by trade union officials if they so wished—but flatly rejected re-employing any of the strikers dismissed during the dispute. Reinstatement for the strikers has become the main issue for the union involved in the dispute, the Association of Professional, Executive, Clerical and Computer Staff, which will make its determination at next week's TUC Congress to try to secure a trade union blockade of the company's film processing supplies and equipment.

Mr. Ward says in a nine-page response to the inquiry's recommendations, that the company reaffirms its declaration during the inquiry that it is prepared to allow any employee who wishes to have a trade union bargain on his or her behalf.

The statement also says that Grunwick will recognise APEX as having the right to bargain for such members of the existing workforce as wish to join it, provided that the Lords over-ruled the Court of Appeal judgment invalidating an Advisory Conciliation and Arbitration Service recommendation that APEX should be recognised for collective bargaining purposes.

Grunwick rejects any such suggestion of payments to those who by their own actions terminated their employment. Mr. Roy Grunwick, APEX general secretary, claimed that the statement showed who was responsible for the dispute and its continuation.

It was "a meaningless gesture to cover the horns of the response," and the union would now be drawing up an emergency motion at the TUC Congress aimed at halting supplies to the company.

The union also intends to write to companies which deal with Grunwick asking them to stop doing so. It is having a Schedule 1 case against Grunwick under the Employment Protection Act heard on October 4 by the Central Arbitration Committee, which can order any of the strikers to be reinstated if they would be in a position to bargain with the company.

Mr. Gruntham will meet Mr. Albert Booth, Employment Secretary, to-day and was hoping that Mr. Booth will nominate a mediator to decide how many of the strikers could be taken back by Grunwick, irrespective of Mr. Ward's response.

France adopts Frs.5.5bn. deflationary package

PARIS, August 31.

THE FRENCH Government to-day adopted a deflationary package worth about Frs.5.5bn. (\$840m.) which will be pumped into the economy in an effort to stimulate consumption, production and employment during the run-up to next spring's General Election. At the same time, the Bank of France announced a reduction in the official discount rate of one full point to 9.5 per cent. It was the first change in bank rate since last September.

The commercial banks have brought down their base lending rates marginally from 9.8 to 9.3 per cent. The reduction in bank rate hardly came as a surprise given the progressive fall in short-term money rates over the last few months from about 9 per cent to 8.25 per cent to-day.

President Giscard d'Estaing and M. Raymond Barre, the Prime Minister, who has overall responsibility for economic policy, both stressed to-day that the deflationary measures should not be seen as a fundamental departure from the Government's economic stabilisation policy adopted last September.

M. Barre said the Government would see to it that inflation was kept under control, but it was equally anxious to forestall a recession caused by a much more certain international economic climate than the experts forecast at the beginning of this year. The Prime Minister said the Government was willing for the growth of money supply would remain at 12.5 per cent, and that the 1978 budget deficit, which is expected to be in the region of Frs.9bn., would be financed out of savings and not by the creation of new money.

In addition, the Government had given instructions that the price limitation agreements between industry and the Finance Ministry should be strictly respected.

Main measures

On the wages front, the policy of maintaining purchasing power at its present level would remain the general rule, but a modest rise would be permitted at the end of the year. The main expansionary measures agreed to-day include Frs.1bn. of supplementary credits for industries in financial difficulties, Frs.1.6bn. to finance low-cost housing, Frs.1.5bn. in increases in the allowances paid to poor families for their children at the beginning of the school year and Frs.900m. of credits to finance public works. These measures add up to no more than a mini-deflationary package, but they cannot be seen entirely in isolation. As short a time ago as April, the Government pumped Frs.5bn. into the economy and, altogether, has taken stimulating action totalling Frs.12.5bn. since the Barre stabilisation plan was adopted one year ago.

Lending rate cut decision to-day

By Peter Riddell, Economics Correspondent

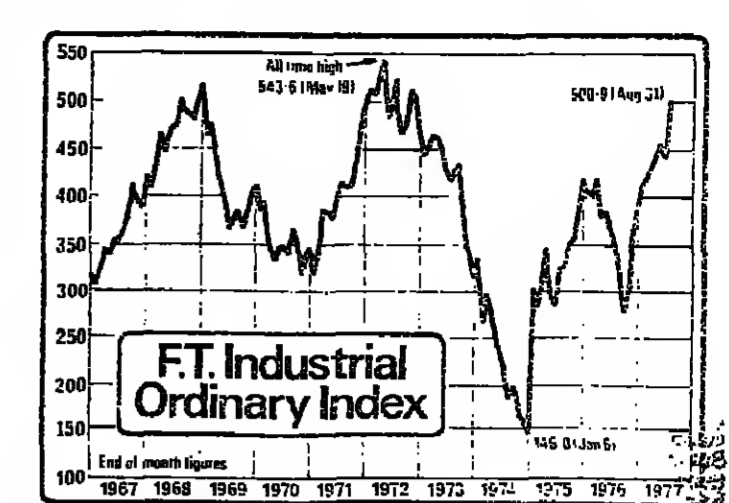
SPECULATION grew yesterday about the possibility of a cut of a quarter point or more in Minimum Lending Rate tomorrow, though the Bank of England deferred a decision until to-day on whether to intervene to prevent a decline. The revived talk of a cut in MLR from its present level of 7 per cent, follows sizeable inflows of foreign currency from overseas in the last few days after a quieter period in the previous fortnight. Demand for the pound was described as strong throughout yesterday.

In making his decision to-day, the Bank will balance the downward pressure on rates resulting from the continued strength of the pound with the desire for caution ahead of the TUC annual Congress vote on pay policy next week. This might tilt the decision towards maintaining stability in short-term interest rates for a further week or two, especially as many in the market believed a cut of half a point would be the last for the time being.

Undecided

The Bank was undecided last night and by lending an "exceptionally large amount" overnight to seven or eight discount houses, it will be in a position to-day to give a clear signal if this is necessary. Some market sources thought a signal might have been given yesterday. Treasury bills were still trading last night at slightly above the level needed to trigger a cut in MLR at to-morrow's tender. A further cut in MLR would increase pressures for a reduction in the interest rates of clearing banks and building societies. The banks have been resisting a move downwards in the last fortnight because of the effect on their margins and a decision by the societies to cut rates at their council meeting towards the end of September is still far from certain.

The authorities again had to intervene regularly yesterday to maintain their policy of a stable external value for sterling; the trade-weighted index closed unchanged at 62.3. A further slight rise in the rate against the dollar was allowed for the sixth successive day and sterling finished six points higher at a new closing peak of \$1.7429. This represents a gain of more than a quarter of a cent in the past ten days. The dollar was weak yesterday against most European currencies.



Surge takes 30-share index to 500

BY ADRIENNE GLEESON

YESTERDAY'S LATE surge in 30-Share Index took the index to 500, a level not reached since the index was last at 500 on January 6, 1975. The 30-Share Index touched 500.3, its highest since it was last at 500 on January 6, 1975. Recovery since then looks impressive even in the context of the 48 per cent increase in the Retail Price Index over the same period; the 30-Share Index has advanced by 243 per cent. But the performance of equities in real terms since the index was last at yesterday's level makes much more depressing reading. Since the first quarter of 1973, the level of retail prices has risen by just over 100 per cent. So share prices should have doubled to maintain their value in real terms. Of the constituents of the 30-Share Index, only three have achieved such a performance: Vickers, Bechtel and General Electric. Prices of 12 of the constituents gilt-edged stock are now close to the index; 41 are lower now than they were 4½ years ago, with Ples

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How the 30 shares moved

Company	% change of the 30-share index constituents since the index was last at 500 on January 17, 1973
Vickers	+104.17
Bechtel	+102.26
General Electric	+101.24
Hawker Siddeley	+87.47
British Petroleum	+53.63
Bovis	+51.16
Glaxo	+48.00
Imperial Chem.	+47.28
Lucas	+35.60
John Brown	+35.72
EMI	+28.46
Tate & Lyle	+20.01
Dunlop	+10.46
Assoc. Portland Cem.	+10.43
Marks & Spencer	+9.75
SOC Int.	+6.84
Dixons	+3.24
Turner Newall	+1.28
Guest Keen	-1.26
Bowater	-9.88
Tobac Invest.	-10.02
P & O	-20.06
Imperial Group	-21.72
Allied Brew.	-24.63
London Brick	-26.67
Courtaulds	-28.66
Plessey	-35.90
Spillers	-38.88
UDS Group	-42.25
Grand Met.	-52.04

Unions try to stop power strike

UNION OFFICIALS were trying last night to avert a threatened two-day stoppage by power-station workers next week which could reduce national electricity output by more than half, writes Nick Garnett. The Central Electricity Generating Board is making no predictions on what may happen if the stoppage goes ahead. The Board has contingency plans. The men, technicians, maintenance men, turbine operators and coal conveyors, want a rise in shift pay to £10 a week, fuel allowance, and subsidised travel benefits, already reflected in

between unions and the Electricity Council. The Central Electricity Generating Board is making no predictions on what may happen if the stoppage goes ahead. The Board has contingency plans. The men, technicians, maintenance men, turbine operators and coal conveyors, want a rise in shift pay to £10 a week, fuel allowance, and subsidised travel benefits, already reflected in

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	August 31	Previous
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1 month	0.250/15 1/8	0.250/15 1/8
3 months	0.250/15 1/8	0.250/15 1/8
12 months	0.250/15 1/8	0.250/15 1/8

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LOMBARD

Changing the corporate form

BY GEOFFREY OWEN

THE LIMITED liability company has proved to be a remarkably successful and flexible instrument for bringing together the factors of production and making...

Not obvious

As is well known, private shareholders are diminishing in number and influence throughout the world, including the U.S. and it is not obvious that this trend is likely to be reversed.

inclined to sell his Birmah shares as soon as he begins to feel doubts about the management.

As of right The full-time employees and the providers of risk capital would be members of the association as of right, with votes allocated to them on the basis of their labour, money, distribution...

U.S. TENNIS

BY JOHN BARRETT

John Lloyd is Britain's lone male survivor

SOLE BRITISH male survivor of the first round of the \$462,420 U.S. tennis championships at Forest Hills, New York, was the 22-year-old Davis Cup man from Essex, John Lloyd. He took 90 minutes to subdue the double-handed South African...

NEW YORK, August 31. In the match failed to clear the net and was a set behind.

Despite breaking service in the opening game of the second set, Cox lost four games to go 1-4 down, and he fought back from 3-5 with firmness.

Tesco plans a sports lottery

BY CHRISTOPHER DUNN

TESCO STORES is planning to pump about £200,000 a year into British sport via a lottery scheme Mr. Leslie Porter, Tesco chairman, said in London yesterday.

Mr. Michael Goldhill, a Tesco director, said the idea for the scheme was first formulated in the early months of this year. But the introduction had been delayed until the Lotteries Act, 1975, came into force.

Independent Radio News editor named

TWO TOP appointments in commercial radio were announced by London Broadcasting yesterday.

RACING BY DOMINIC WIGAN

Remezzo looks a winner

CLIVE BRITANN has always weighted Great Appeal, a close third behind Gravenhage and Come Play With Me at Catterick Remezzo, and his faith could prove justified at York to-day.

Bid to improve clothing output

A RESOURCE centre for improving performance and productivity in the clothing industry is to be set up with initial financial support from the Department of Industry.

Banks double rewards to £5,000

THE BANKS ARE doubling the maximum reward payable to the public for reporting a bank raid - from £2,500 to £5,000.

ENTERTAINMENT GUIDE

Table with multiple columns listing theatre performances, opera, and other entertainment events across various venues like Coliseum, Lyric Theatre, and others.

TV Radio

- Indicates programme in black and white. BBC 1 6.40 a.m. Open University (UHF only). 9.45 The Wombles. 9.50 Jactatory. 10.05 Saitty. 10.25 Go-USA. 1.05 a.m. On the Move. 1.15 News. 1.20 Raptime. 4.15 Regional News for England (except London). 4.20 Play School (as BBC 2 11.00 a.m.). 4.45 Deputy Dawg. 4.50 Striker. 5.10 The Broken Biscuit Company. 5.35 Music Roundabout. 5.40 News. 5.55 Nationwide (London and South-East only).

F.T. CROSSWORD PUZZLE No. 3455. A grid for a crossword puzzle with numbers 1 through 30.

gthy (6) a's some 16 to face restiam in 8 to perfune something that is necessary (7) 11 Put up with a castle in the plot (7) 14 Manage a musical (5, 2) 17 This was a fustical till I came round (5, 4) 18 Birds flounder aboard (8) 19 Prominent foreigner in the street (7) 21 In France she follows doctors with wine 22 Underworld lupis (6) 24 In fair round belly with good - lined" (AYLI) (5) 26 No draw poker for the boss (4) SOLUTION TO PUZZLE No. 3454

هذه امته انظر

Tannhäuser

by MAX LOPPERT

The war past Bayreuth scandals become present Bayreuth successes must form a footnote of abiding interest in the history of the festival. In 1972, on first appearance, the Günter Friedriche production of *Tannhäuser* caused a furor; revived in 1977, it is felt to be the work of a great far less conclusively on the *Ring*, of which more to a later report. The revival marks the Bayreuth debut of Colin Davis, first Englishman to conduct here. After the third performance, he was warmly received, as were producer and cast—the expressions of disapproval for the *Tannhäuser* of Horst Esser, reported from the first night, had disappeared. When at the end the curtain was lifted to disclose once again the chorus, dressed in the workers' apparel that before had been the cause of so much indignation, the applause was tremendous. All was sweetness, light, and what related to the *Ring*—a jubilation for a striking but limited view of the opera and of the musical performance of clear but not outstanding merit, marred by outstanding weakness in its title role.

After the 1977 premiere, Andrew Porter reported on the production at length. Its strengths are still those he described: the execution of a particularised, "partial" interpretation with dash, conviction, and theatrical address, on its own terms, and the use of the *Ring* with Friedrich's plots and his limitations as a man of theatre we are now no more familiar; that should not diminish respect for a producer obviously in control of every dramatic aspect of the production extending from the purposeful handling of the chorus (no half-hearted straggling on and off as in the 1973 *Love in the Garden* production), through the charged confrontations of its principals, to the groupings of all his forces in compositions of sometimes quite remarkable picturesque vividness.

Elizabeth's defence of *Tannhäuser*—she stands, a figure in white, poised against the drawn words of the Landgrave's court (and here, of course, the arrested State police), the through spilling urgently over the edge and down the steps of the platform on which the *Sängerkrieg* is held—one followed with bated breath, individual scenes quickly developed and strongly sustained their own atmosphere, their own momentum. Again Friedrich has proved unwilling to let the purely instrumental passages of a Wagner opera speak for themselves, without visual "explanation." The curtain rose, not at 25% of the *Ring*, but as if it were *Tannhäuser* contrived rather too frequently to have the opposite effect. This was despite the increased expansiveness and large, passionate commitment of Collo

Davis's conducting, which to the brightness and energy of his London performances, joined a more secure, if still incomplete, command of steady, ample slow tempos and long-drawn dramatic movement. After the competence of Horst Stein on earlier evenings, it was good to ogle the deep-toned orchestral sound quickened to spirit by a conductor of more definite character (but under Stein the playing had been more even, without the little slips and stumbles that all evening tended to creep in). Wagner's on-stage trumpets were kept offstage, which was a disappointment swiftly redressed by choral singing of hair-raising splendour.

Two members of the original cast were present: Bernd Weik, once again, less smooth and spacious of tone than one had hoped, although in bearing a noble, sensitive Wolfram; and Hans Sotin, whose superb bass was there really no less provincial and precision in the Landgrave's Bayreuth for the originally announced Richard Cassilly.

Book Reviews are on Page 14

Radio 3

BBC Symphony

by DAVID MURRAY

It was held of Norman Del Mar to begin Tuesday's Prom with Schoenberg's *Transfigured Night*, in the version for string orchestra; this is not a vintage year for the BBC Symphony, but the opening bars, unusually deliberate and carefully laden, boded well, and later Del Mar persuaded his players to the real verve of the music—unanimity. The sweetly tremulous coda was delicately balanced.

The Oboe Concerto of Richard Strauss, a ravishing Indian-summer work, had Hao De Vries as soloist. He despatched the concerto with a sureness, very special needs of a producer, the result is all too likely to affect the natural expressive powers of which is regularly attached to the score. A corollary here was that the weak things to the music were relentlessly high. De Vries himself could be heard shouting, but only at some parts of the second act, professional, but the slow introduction to Act 3, which, as background to Elizabeth's nipped suffering, has seldom felt slower singing or heavier-going. Comparison with the London *Tannhäuser* is instructive: in later performance and on revival one is able, despite the general dramatic ineptness and visual crudity, to hear and appreciate the music here, outside its own context, as a masterpiece of the orchestra's progress. The BBC Symphony had perhaps saved its trumpets for Roberto Gerhardt's 1965 Concerto for Orchestra, a (Romanian, and Sofia (Bulgarian) work which they and Del Mar

Scottish Chamber Orchestra to visit East Europe. France

In March, 1978, the Scottish Chamber Orchestra will achieve the distinction of being the first orchestra from Scotland to visit Eastern Europe during its first foreign tour. In addition, the 38 players are to be resident in Aix-en-Provence next July, where they will also take part to concerts and opera performances with Charles Mackerras and Raymond Leppard as well as with their principal conductor Roderick Brydon. During the tour, which has been arranged in association with the British Council, the SCO will give seven concerts in three countries, playing in Budapest and Békéscsaba (Hungary), Brasov and Bucharest (Romania), and Sofia (Bulgaria).



Anna Nicholas and Glenn Conway

London Casino

Dean

by MICHAEL COVENEY

"The action takes place in New York, Los Angeles, and the mind of James Dean" (the programme). "Broadway's not enough—I want more... I'm gonna be the greatest actor anybody's ever seen" (Glenn Conway as Dean). "He was great, but the rest was a pile of horse shit" (dissatisfied teenage customer on leaving the theatre on Tuesday night).

The trouble with John Howlett's script is that at no point does it really decide on the story it wants to tell. There are references for the buffs in the doubling of a boy actor as the young Dean and the child Plato in *Rebel Without a Cause*; in Dean's agonised cry that he has the bullets; in Dean's mention of *The Little Prince* in front of a bemused PR man; even in the sudden flare up when Buzz, in a feeble recreation of the knife scene, accuses our hero of being homosexual.

But, despite Mr. Conway's lack of quality, nothing in the production is so capitalise on the budding comments. Anna floats through the film as Pier Angel, the one resident of the dream-factory whom Dean trusted, perhaps loved, bursting through clever impersonations of Natalie Wood (in *Rebel*) and Elizabeth Taylor (in *Giant*) to assert her daemonism, occasionally made manifest atop a gantry with flowing hair and dud tyres. The rest is all cat-walks, colourful lighting (by Nick Chilton), posters, projections and purposeful striding about the stage by a glib cast. When Angeli and Dean get together on the studio floor, the stage picture resembles one of those hilariously romantic-orange post-cards you can buy in Torreon.

Elizabeth Hall

Cleveland Quartet

by DAVID MURRAY

Responsibility for much of this year's South Bank Summer Music fell to the Cleveland Quartet—the complete cycle of Beethoven quartets, and more besides. They shouldered it more than competently, but left a clear impression that more overtly Romantic music displays their gifts to best advantage. Though the members of the quartet are all strong, evenly matched players—Peter Salafranceschi on violin, Peter Salaf, second violin, Peter Salaf, almost domineering assurance in cello, Martha Strongin Katz and her husband Paul Katz boast in individual timbres and fine rhythmic security—the tone is set by their leader, Donald Weilerstein. He offers a honeyed line, lavish with portamento, and is inclined to bound spring-heeled through quick movements. There was more airy scampering, without any balancing toughness, than was good for Beethoven scherzos and finales; rests were sometimes denied their full weight, and one often missed a clean staccato. With very many attractive moments, the Beethoven cycle still lacked authority, then; those of the late quartets that I heard sounded pretty and small-scaled. But the Cleveland Quartet are all strong, evenly matched players: in the "Trout" quintet they were quite swamped by Alfred Brendel's relentless, almost domineering assurance in the piano part, but they rose magnificently to the great major Quintet with the excellent Lynn Harrell as first cello. Here, their full, sweet sound was ideal—serenely searching in the Adagio, broad and heart-stirring in the scherzo and the finale. Nothing tentative about that: it was good to be reminded of the real quality of the team.

Radio 3

London Sinfonietta

by DOMINIC GILL

The Round House Prom on Monday offered an evening of contemporary music played by the London Sinfonietta under Egar Howarth—a programme of five minor post-war classics, all of them given with the blend of energy, accuracy and verve that we have come to expect from this remarkable, invaluable band. The programme might have been called "Messiaen and his school", a pair of works by the master dating from the 1950s and 1960s made the frame for a group of shorter pieces by three distinguished pupils at the Conservatoire, Boulez, Stockhausen and Xenakis. None was a masterpiece, but each in its own way was a characteristic choice. Stockhausen's little *Adieu* of 1966, a meditation for wind quintet, was specially well performed; a sequence of tiny sound-events dovetailed one with the other, sensitively worked, delicately conceived. Only the dynamic level came across as something rather louder than the composer's direction of

EXTREM LEISE from page 2: perhaps the Radio 3 engineers are leaping to adjust our sets? We also heard Boulez's *Cummings ist der Dichter* for 18 solo voices and ensemble—made with characteristic, eighty precision, meticulous colouring, delicate interplay of light and shade. And the recent *Phlogra* of Xenakis, a battle of Titans and Olympians, a lively exploration of instrumental textures—still not, to my mind, one of the better works of the Xenakis canon, rough-hewn, blunt in its dramatic impact, but here given all the same a far tougher, more vibrant, more impressive performance than that I heard from the Ensemble Intercontemporain in La Rochebeaucourt last July. The soloist in the two Messiaen works which framed the evening, *Couleurs de la cité céleste* and *Oiseaux exotiques*, was the young pianist Jan Latham-Koenig—once or twice lacking an ideally sharp rhythmic cutting edge, but strong, well-organised and neatly graded.

La Vie Parisienne

by RONALD CRICHTON

Waltz-ronin in Act 4 openly to the audience, not to the Baron—the words were lost. Robinet and Raoul, the young Parisian sparks, are brightly but conventionally taken by Ivo Cadby and Terry Jenkins. Except when he is allowed to guy the duet, Eric Skilling's tipsy but never entirely befuddled Baron is soundly conceived. Among the various domestics Keith Bonington as Joseph, Raoul's former valet, made his mark in a tiny part. John Matheson conducted, with care for the score but with little lit or sparkle. Neither producer nor conductor established the climate of absurdity in which this deliberately, preposterously, poetically flimsy codpiece of pretence and deception, cotone's widows may yodel and Swiss admirals split their tunics.

A not very exhilarating revival of *A Night in Venice* (August 18) made one wonder again why, with so many first-rate operettas missing from or unavailable in its repertoire, the English National Opera should have given this decidedly second-rate specimen of Johann Strauss a new production last season. Admittedly, the company makes the going harder than necessary by stirring in pieces from other Strauss operettas, and by using the Korngold orchestration, with its improbable xylophone; but altogether, as here performed, the music is obstinately unmemorable, and the plot water-tight. Perhaps greater flavour and projection in the acting might help; for the sets are pretty, and the singing itself was clean, and in the case of John Beckwith (a stylish Duke), Joy Robbins (a pertly attentive Anna), and Niall Byrne and Asta van den Berg in smaller parts, clearly enjoyable.



Margaret Haggart, Sandra Ogdale and Harry Coghill

Edinburgh's Theatre

Les Sylphides

by CLEMENT CRISP

she was coolly vicious enough to bring John Knox back from the grave in fierce denunciations in *Les Sylphides*. Makarova and Bujones, casting off their Romantic airs, unleashed vast quantities of unlearned vast quantities of mock-Spanish charm in the *Dona Quixote pas de deux*. Makarova was artlessly saucy and amused by the whole thing; Bujones, made the expected coruscation of leaps and turns, but also controlled his exuberance with bright, clean style. Among the pleasures of his dance in *Les Sylphides* was not just the grandeur of his lines, but the beautiful qualities to be seen in the placing of a foot, or in the academic purity of positions. In these performances with Scottish Ballet he has looked far more impressive as an artist than during the recent American Ballet Theatre season.

On the Festival Fringe, Scottish Ballet's workshop ensemble appeared in a university hall. I have heard nothing but praise for the activities of this group in its demonstration and experimental programmes to audiences in schools and small villages, but I cannot help but feel that Bounce, the new piece by Sue Weston, on view, was several steps in the wrong direction. An ad hoc exercise about science fiction and nursery rhymes, it offered pretentious and incomprehensible capers for four nice young dancers to a dull score. Well staged, I found it totally off-putting.

Nottingham Theatre appointment

Barrie Stead is to become general manager of Nottingham Theatre Royal, due to reopen at the end of the year. Mr. Stead is at present assistant managing director of Howard and Wyndham's theatre division. He will develop the Theatre Royal as a centre for touring and commercial theatre and as a place of entertainment open seven days a week throughout the year. The theatre will be operated on a commercial basis for Nottingham city council. The council is in the process of carrying out a major renovation and reconstruction of the 112-year-old Theatre Royal at a cost of approximately £2m.

NYK's Full-Spectrum Container System Means Better Service.

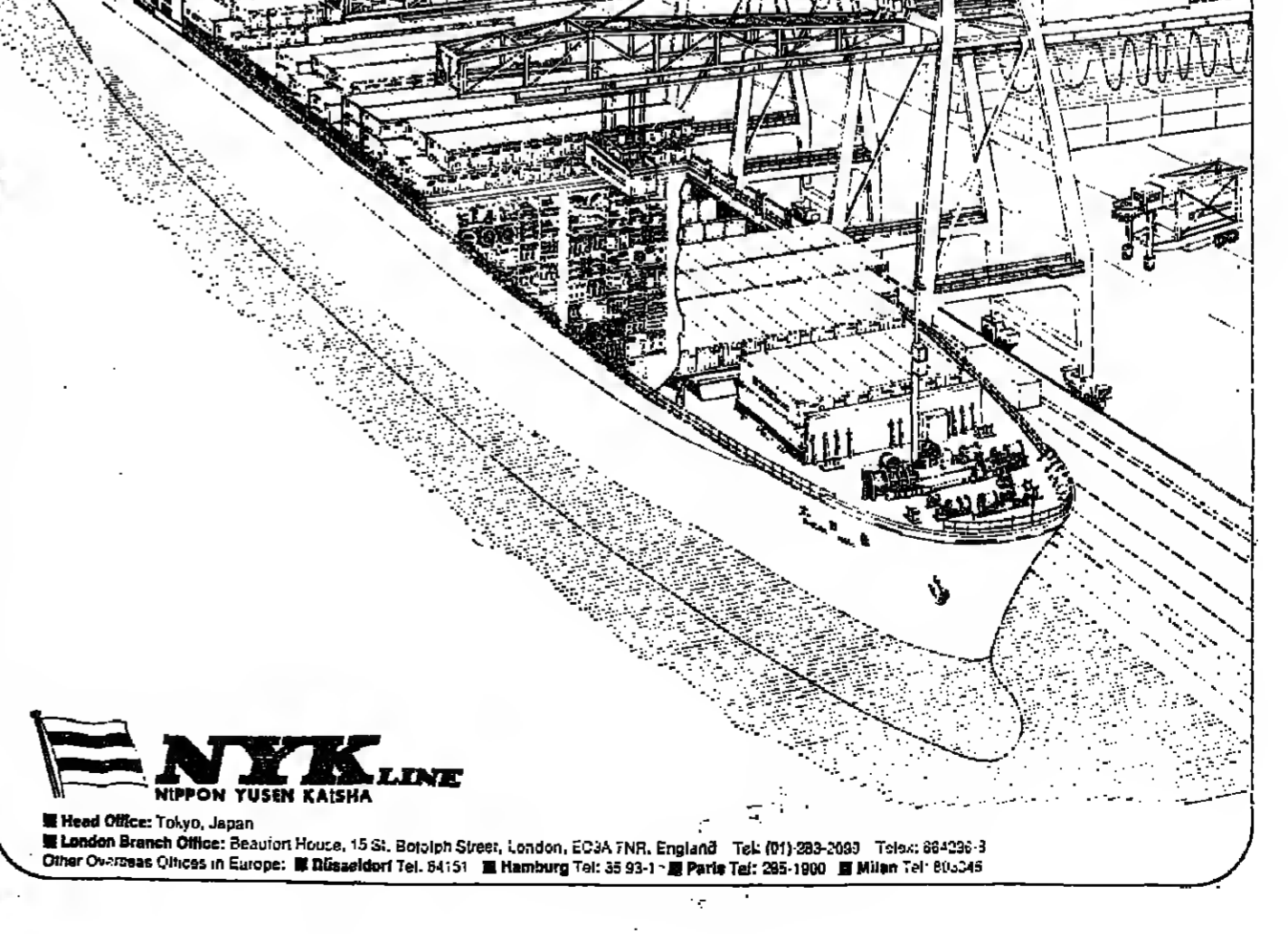
NYK, Japan's largest and most versatile shipping company, integrates every detail connected with your shipment. Here is how: First, our on-line computer system. We can now coordinate shipping activities all over the world. The location and details of each ship and each container are instantly displayed on the central computer screen. The latest word in customer service.

Second, 360 ships and 40,000 containers at your service. The most complete, most adaptable shipping service going. Anywhere.

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EUROPEAN NEWS

Finland announces a 3% cut in value of mark

BY LANCE KEYWORTH

HELSINKI, August 31.

THE GOVERNMENT announced today that the Finnish mark will be devalued by 3 per cent. with effect from September 1. This is the Finnish reaction to the 10 per cent devaluation of the Swedish krona on Monday.

The Governor of the Bank of Finland, Mr. Mauno Koivisto, said the Government's decision was "very satisfactory in view of the circumstances." This was an obvious reference to the inflationary impact of a larger devaluation, especially as the unions would certainly then have demanded compensatory wage increases.

later interpreted to mean 10 per cent or more. The Finnish mark was devalued by 5.7 per cent in April. The additional 3 per cent, keeps the total change within the 10 per cent limit. The devaluation is against a basket of the currencies of all countries which account for 1 per cent or more of Finland's foreign trade.

Danish foreign debt could rise £200m.

Denmark's total foreign debt will increase by approximately Kr.2.2bn. (£200m.) if the effect of Sunday's 3 per cent realignment of the currency is felt in full against others informed banking sources told Reuter in Copenhagen.

The public sector net foreign debt is currently between Kr.17bn.-Kr.18bn., while the private sector debt totals Kr.27bn., they said.

French energy

Industrial companies which are heavy consumers of energy will be exempt from paying a special energy tax of 2 per cent. next year as long as they invest three times the amount they would have paid in energy-saving measures.

Greek plot

Greek authorities have smashed a plot by serving and retiring officers to force the Government to free jailed leaders of the 1967 military coup.

Portuguese claim

The Portuguese Communist Party has accused the Government of using violent repression to enforce reforms aimed at returning State-owned land to private ownership, Reuter reports from Lisbon.

Italy quake scandal erupts

BY PAUL BETTS

ROME, August 31.

SOME 15 months after the earthquake which devastated the northern region of Friuli and claimed 951 deaths, a political tremor has hit the area with possibly acute repercussions.

Local judicial authorities have opened an inquiry into an unsavoury story alleging corruption involving the construction of prefabricated houses for about 100,000 earthquake victims.

This follows the arrest of the Mayor of Malano, one of the towns flattened by the earthquake in May 1976, and the private secretary of the Christian Democrat government's special commissioner in Friuli, Sig. Giuseppe Zamberletti.

Both the Mayor of Malano, Sig. Girolamo Bandera, and the commissioner's private secretary, Sig. Giuseppe Balbo, are charged with allegedly seeking bribes from building companies for the construction of the prefabricated houses in the earthquake zone.

decision of the ruling Christian Democrats to hold a massive American-style pre-election rally in their region next month. They are in effect proposing to hold for the first time a national party festival, called the "Festa Nazionale Dell'Unita".

With the rank and file of the rival parties in a state of growing confusion as a result of the recent all-party collaboration accord, the rallies are becoming increasingly important for each party.

The Communists previously have been more successful in organising the festivals. This year, the Christian Democrats will stage an all-time spectacular. Leading party spokesmen will alternate on the Friuli stage with box office stars like Joan Baez and possibly the former Beatle, Paul McCartney.



President Spyros Kyprianou, the only candidate.

Kyprianou new Cyprus President

NICOSIA, August 31.

MR. SPYROS KYPRIANOU became the second president of Cyprus today, succeeding Archbishop Makarios who died of a heart attack on August 3.

Mr. Kyprianou, 44, was the only candidate nominated for the post by the deadline of mid-day today, so an election set for September 10 was called off. He will serve for the rest of the current five-year term of office, which will end in February.

Political sources said that none of the four main Greek-Cypriot political parties had planned to oppose Mr. Kyprianou, choosing to avoid political tension so soon after the archbishop's death. But they said that a contested election could be expected in February.

Some observers wondered how long Mr. Kyprianou, who suffers from heart trouble, will be able to carry the presidential load. As chairman of the House of Representatives, he became acting president of the republic on the death of Makarios.

Mr. Kyprianou, a politician of the Right and Foreign Minister from 1960-1972, was a solid supporter of Makarios. He has said that he will maintain a non-aligned foreign policy for Cyprus and, like Makarios, oppose creation of separate Greek-Cypriot and Turkish-Cypriot states on the island.

Turkish forces invaded the island in 1974 and have occupied about a third of it since then.

Tough Giscard line on Spain's EEC entry

BY ROBERT MAUTHNER

PARIS, August 31.

THE FRENCH President M. Valéry Giscard d'Estaing, today made it clear that while France welcomed Spain's application to join the Common Market, it was not prepared to sacrifice the interests of its Mediterranean farmers.

St. Suarez said he was very satisfied with their outcome, the opposition of French producers of wine, olive oil and other Mediterranean products to Spain's membership is so great that the French Government cannot afford to neglect their views, with a general election due next year.

Market was "out of the question." The French Communist Party has been equally outspoken in its opposition. French industry, too, is worried by the competition it will face from Spanish car, steel and shoe manufacturers.

French presidential palace today, fully reflected Giscard's embarrassment. He said that France had every reason to welcome Spain's admission and described Spain as a neighbouring, democratic and friendly Latin country.

Moreover, it is not only the French farmers who are hostile to Spanish entry into the EEC. M. Jacques Chirac, the Gaullist leader, is on record with the blunt statement that the entry of Spanish agricultural products into the Common

and fierce reprisals meted out by General Franco's regime. Civil war scars abound all over Spain, but the Basque country has a larger number of diehard firebrands prepared to sacrifice their lives—or to kill—for a vengeful cause they believe to be just.

not rest until all Basques have disappeared in pursuit of General Franco's regime. Equally, Basque nationalists have been killed in the Basque country by Spanish police and kidnapping in 1976.

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BASQUE NATIONALISM

Separatists line up for a struggle

BY DIANA SMITH, RECENTLY IN PAMPLONA

Thirty-five thousand people gathered last Sunday half way up a mountain outside Pamplona. They spoke, shouted and sang in the ancient, guttural language of Basque, the Basque nationalists' name for their homeland.

It was an emotional gathering of militant nationalists, old and young, ultra-left wing splinter Marxist parties and cheerful Basques of all ages crying for total independence, amnesty for all Basque militants in jail or in exile, and for socialism in its most uncompromising, dogmatic sense.

The choice of Pamplona as a venue for the end of a 35-day nationalist march from the "four winds"—the four Basque provinces of Guipuzcoa, Biscaya, Alava and Navarre—was deliberate.

The Civil Guard and armed police remain for many Basques an ever-present symbol to be hated even if they are, as they did last Sunday (under strict orders to be cool and courteous) to alter their image.

Some observers wondered how long Mr. Kyprianou, who suffers from heart trouble, will be able to carry the presidential load. As chairman of the House of Representatives, he became acting president of the republic on the death of Makarios.

The separatists present the Madrid Government with a constant dilemma. Basque nationalists, whether they are militant socialist or simply militantly individualistic, will

shed the "extradition stigma" and have the Basques made clear that long-term consequences of their ultimate consequences party leaders have stated, could include the resignation of Mr. Blanco because municipal are due to be held before the end of this year.

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Probe into MP's assault claim

BY OUR OWN CORRESPONDENT

MADRID, August 31.

THE SPANISH GOVERNMENT is looking into claims that Socialist member, Sr. Blanco, was physically assaulted and grossly insulted by Santander armed police last Saturday.

Sr. Martin Villa, who as Minister of the Interior is ultimately responsible for Spain's police forces, has sent the Deputy Director of the Directorate-General of Security, and the Deputy Inspector-General of the armed police to Santander to make a thorough inquiry into the allegations.

Repercussions of the 1976 election could be severe only because the Basques vowed to pursue the party leaders have stated, could include the resignation of Mr. Blanco because municipal are due to be held before the end of this year.

Whatever else Basque nationalism may reflect, it is not lack of prosperity. The average Basque wage is 25 to 30 per cent above the average Spanish monthly wage of £180. The four Basque provinces, and their 2,700,000 people—who cover only the 3.2 per cent of Spanish territory, consume 16 per cent of the country's fuel oil and 7 per cent of its petrol. Pamplona, Bilbao and San Sebastian testify to Basque industriousness, with their broad belts of modern factories, well-stocked shops, clean, tree-lined streets and new high-rise developments.

The alleged attack on Sr. Blanco has caused a furore in Spanish political circles. Although the Santander civil governor has issued an official note indicating that the Socialist MP may have insulted the police when (according to Sr. Blanco) he went to the rescue of a youth being beaten up by a group of armed policemen.

Repercussions of the 1976 election could be severe only because the Basques vowed to pursue the party leaders have stated, could include the resignation of Mr. Blanco because municipal are due to be held before the end of this year.

The Madrid government, in fact, has begun cautious contacts with members of the Basque government in exile (the last vestiges of the body that briefly ruled the province during the civil war), working delicately towards a solution that will, one day, give Basques substantial autonomous powers.

Such measures, however, are unlikely to satisfy the extreme nationalists. No Basque can forget many will not forgive, he has eye-witnesses and photographic evidence to prove that

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Tito in talks with Hua

BY YVONNE PRESTON

PEKING, August 31

ON THE SECOND day of his State visit to China, Yugoslav President Tito has had two hours of talks with Chinese Communist Party chairman, Hua Kuo-feng, and became the first foreign leader to visit the Mao Tse-tung mausoleum.

The talks today, described by both Chinese and Yugoslav officials as "cordial and friendly," were attended by two party vice-chairmen, Teng Hsiao-ping and Li Hsien-nien as well as Foreign Minister Huang Hua.

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This morning the 85-year-old President Tito viewed the embled body of Chairman Mao Tse-tung lying in his crystal coffin and laid a wreath before a huge statue of the late chairman. The President was accompanied by Vice-Chairman Wang Tung Hsing, now number five in the Chinese party hierarchy and the new face among China's senior leaders.

Details of the talks were not released, but the New China News Agency has reported: "An extensive exchange of views on matters of common interest."

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NATIONAL BANK OF GREECE advertisement including logo, text 'Leading the Greek economy since 1841', and financial data table.

Pitti Uomo Florence advertisement for Palazzo degli Affari, featuring a portrait of a man and text 'COMPLETE SHOWINGS OF ITALIAN MEN'S FASHION'.

AMERICAN NEWS

Burmah faces \$21m. loss with collapse of LNG project

PARIS, August 31. THE VIRTUAL collapse of the agreement to switch two of the owners have secured federal approval for any cancellation...

Robert del Quiaro reports on the prospects for a return to civilian rule in Peru
A difficult road back to democracy

TRYING TO chart Peruvian politics used to require much poring over the order of seniority of the 70 or so army generals on the active list...

But despite the strike, the exclusion from real political activity. Most observers now believe that APRA—still the Left claim that as many as 70 per cent of workers...

a civilian body of any weight committed to support it. Sixty per cent of the population of Peru is regarded to the city...

The military, despite much expensive effort, has not created a civilian body of any weight to support it...

Until there is an election, the actual distribution of popular support remains uncertain. There is still doubt, however, as to whether elections will be held as promised.

Corporate investment set to rise, survey suggests

WASHINGTON, August 31. THE PROSPECTS for sizeable corporate investment, particularly when the June returns had shown a decent 4.8 per cent increase over May...

How to clear that expansion bottleneck, without upsetting your finance director



A successful and expanding company often reaches a stage when, for want of finance, it is restrained by an expansion bottleneck...

Best of all, once arranged, and provided you meet the terms of the agreement, your loan will not be called in. So you can plan your expansion with confidence.

Discuss your problems with us. Medium term loans are just one of many financial services that Midland Bank Group offers you to help make business more profitable.

Your local Midland Bank branch manager can also arrange instalment finance, leasing, factoring, and a number of export and international services...

Let us help you. There's a whole range of services, in fact, and all available in the simple way you're used to—through your local bank.

However, changes cost money, and where money is concerned your finance director often has the last word.

But maybe Midland Bank can help you with a medium term loan. We're ready to lend almost any reasonable amount for any reasonable business purpose to credit-worthy customers.

You pay interest, at competitive rates, only on the reducing balance and you can adapt repayments to suit your needs.

Oil companies convicted

NEW YORK, August 31. FIVE U.S. oil companies and which along with Crown Central Petroleum, was acquitted of the charges...

SEC asks for loan details

NEW YORK, August 31. THE SECURITIES and Exchange Commission (SEC) is asking commercial banks to disclose details of loans made to officials of companies which customers of the bank...

Guyana strike break bid

GEORGETOWN, August 31. GUYANA Government will induce in Parliament tomorrow to strengthen the country's national security laws...

Investing in North Sea and America oil and gas production through Viking Resources International N.V. Listed on the Amsterdam Stock Exchange.



Medium Term Loans from Midland Bank

OVERSEAS NEWS

Pressure increases for arrest of Bhutto

BY OUR FOREIGN STAFF

PRESSURE is growing on Gen. Zia ul Haq, head of Pakistan's military government, either to arrest the former Prime Minister, Mr. Z. A. Bhutto, or to bring violent reaction from the opposition...

Gen. Zia's position is weaker than when he took over from Mr. Bhutto early in July and diplomatic observers fear he may face a revolt from within the army...

S. Arabia 'could earn \$4.6bn. on investments'

By Our Foreign Staff

SAUDI ARABIA'S income from its foreign assets could total \$4.6bn. this year and this emphasises the long-term impact of this country on international finance...

WORLD TRADE NEWS

West German economy hit by falling foreign demand

WEST GERMANY'S trade surplus will show a clear increase this year, but foreign demand is growing too slowly to boost the country's economy further...

Exports and imports rose by some 8 per cent in real terms during the first half against the same period last year, with slow-downs likely in the second half...

Davy wins contract

DAVY POWERGAS, a D international company, signed a major contract, worth about \$35m., with INI in Kemija, Kufina, Yugoslavia...

The facilities comprise a metric tons per year nitric plant, 500 metric tons per day ammonium nitrate and 500 metric tons per day sulphuric acid plant...

Strauss postpones Tokyo visit

BY JUREK MARTIN

MR. ROBERT STRAUSS, the U.S. Special Trade representative, has postponed his bilateral trade talks in Tokyo with the Japanese Government...

South Africa to boost economy

BY QUENTIN PEEL

JOHANNESBURG, August 31.

THE FIRST hint of government action to stimulate the languishing South African economy was given today by Senator Owen Horwood, the Minister of Finance...

relaxed again, the Minister said, following the decision last week by Dr. T. W. de Jongh, Governor of the South African Reserve Bank to raise the ceiling on bank credit by 0.5 per cent each month...

S. Pacific fish zones declared

By Colleen Ryan

MEMBERS of the South Pacific Forum have agreed to declare 200 mile fisheries zones, where possible, by March 31, 1978...

Trade with China falls

TOKYO, August 31.

JAPAN'S TRADE with China in the first seven months of 1977 totalled \$1,844m., down 4.2 per cent from a year ago level of \$1,939m., the Japanese Finance Ministry reports...

U.S. agrees S. Korea exports deal

SEOUL, Aug. 31.

THE U.S. and South Korea have agreed a new textile agreement for 1978-82 here today. It provides for more restrictive quotas on Korean exports than the current accord, due to expire next month...

Nigerians go to the polls

LAGOS, August 31.

NIGERIANS voted today in the first session of a 203-seat constituent assembly, according to a Lagos radio report monitored in London...

Agreement on Malaysian LNG

BY KEVIN RAFFERTY

SHELL and Mitsubishi have agreed to buy the liquefied natural gas carried in vessels of the company, over plans to build a Malaysian International Shipping Corporation at prices to be determined by the Malaysian State oil company...



Martin Dickson describes a strange double act with no patter

The road to Rhodesia

Dr. Owen... deadly serious.



Mr. Young... signs of frustration

THE YOUNG, handsome, loquacious British Foreign Secretary and the charming black U.S. Ambassador to the U.N., a man with a reputation for straight-talking and political indiscretion, go off to Africa in tandem to sell new proposals for a Rhodesian settlement...

don't wish to be seen to be affecting the general election in Rhodesia explains the tone of their trip...

EASTERN EUROPE

Poland faces up to debt

BY ALEKSANDAR LEM, IN WARSAW

POLAND WILL be forced to curtail Western imports of both investment and other goods unless it succeeds in selling more in the West to balance its trade and earn hard currency to service its debts...

Genuinely

But this is the only hint of any friction between the British and American parties, Dr. Owen and Mr. Young are keen to quash rumours that they have not been getting on too well, and genuinely appear to admire each other...

Discussions

Shortly afterwards, while in Montego Bay, Jamaica, President Nyere received a message from Mr. Callaghan, the Prime Minister, inviting him to attend a session of talks at Chequers with Mr. Cyrus Vance, the U.S. Secretary of State...

Assumptions

The debts were incurred mostly during the second half of the 1971-75 five-year plan, under assumptions which later proved wrong. One of them was that prosperity in the West would continue for some years to come...

Patterns

Import patterns will also change. While 55 per cent of imports during the first half of this decade were machines and equipment, this share is to fall to 45 per cent in the second half...

Hambros Limited U.S. \$25,000,000 7 1/2% Bonds, 1982

Handwritten signature or mark at the bottom of the page.

LABOUR NEWS

Lucas men plan to stop import of motor parts

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

STRIKING Lucas toolroom an award cannot be retrospective and is anyway outside the Government pay guidelines. Management has offered a 2.5-a-week increase conditional on a future productivity deal involving greater flexibility in use of labour.

Lucas maintains that as a major employer it must follow Government policy and ensure that any awards are self-financing. The company appears to be awaiting decisions at next week's TUC conference to see if it will be allowed the flexibility to improve its offer.

Determined

Mr. Towey said the toolmakers were determined to hold out until the company met their demand, plus a payment well above £100 as compensation for bonus lost before the dispute began.

About 25 shop stewards are visiting docks and airports seeking support for the Lucas action.

The latest Leyland plant to be hit by the dispute is Speke, Liverpool, where production of the TR 7 was halted last night.

At Jaguar, Coventry, about 3,600 workers are idle as a result of an internal strike and a shortage of components from Desoutter, a London supplier.

Healey restates pay pact warning

By Christian Tyler, Labour Staff

A RESTATEMENT of the Government's wages policy for the next 12 months, aimed mainly at trade union negotiators, comes from Mr. Denis Healey, Chancellor of the Exchequer, today.

His reminder that the majority of wage settlements will need to be well within single figures "to yield no more than a 10 per cent rise in national earnings" comes as TUC leaders gather in Blackpool to prepare for next week's Congress, on which much of the credibility of the Government's policy will depend.

Writing in the Post Office Engineering Union journal, the Chancellor says he wishes to avoid any misunderstanding of his 10 per cent ceiling.

"This 10 per cent figure applies to the increases in total earnings over the economy as a whole. It is not a level for wage settlements."

He does not say what conditions would allow settlements in excess of single figures, nor does he repeat his recent mention of 5-8 per cent as the right level for settlements.

All pay and conditions improvements (excluding pensions) which add to production costs, such as consolidation of incomes, policy supplements into basic rates, extra leave and a shorter working week, should be within the figure, he says.

Tax relief

He warns negotiators not to try to renege on past years' awards given by the TUC itself, but ignored in many of the big claims that have emerged before and since Stage Two ended on July 31.

"The tax reliefs I announced on July 15 will themselves be more than sufficient to compensate for the inflation expected between now and the end of this year."

It was now beyond reasonable doubt that the year-on-year inflation rate would "fall swiftly to 12 or 13 per cent, by December, or 10 per cent, by next year, if the inflation expected between now and the end of this year."

The Government can already point to the stand taken against the 830 air traffic control assistants - despite the support given them by Mr. Len Murray of the TUC and to the vesting of about 20 settlements that have breached the guideline.

Much of the spirit of Mr. Healey's text will certainly be conveyed by Mr. Jim Callaghan, the Prime Minister, when he addresses the TUC Congress next Tuesday, on the eve of the crucial economic debate when the future of the TUC's vestimental incomes policy - maintenance of the 12-month cap between principal pay rises - will be put to the vote.

Clothing pay up by 10%

By Our Labour Staff

ABOUT 70,000 workers in the clothing industry are to receive pay rises resulting in an average 10 per cent increase in earnings from September 22.

The rises were agreed yesterday between officials of the National Union of Tailors and Garment Workers and the Clothing Manufacturers' Federation.

The deal allows for consolidation of the two pay policy supplements into basic rates.

Although the deal is due to take effect in 12 months, negotiations will re-open if the Government's pay guidelines and 12-month rule is generally breached.

Some 3,500 staff employed by Barclays Bank International are to receive a Stage Two settlement of between £2.50 and £4 a week back-dated to July 1. The agreement, negotiated with the National Union of Bank Employees, also increases the London and large town allowances.

Mr. J. Bendley, at present a general manager, MIDLAND BANK, has been appointed a senior general manager with responsibilities within the Bank's International Division.

Mr. J. A. Brooks, at present a general manager (computer operations) has become a general manager, domestic operations.

Mr. W. D. Jarman, at present assistant general manager (computer operations) has been appointed general manager (computer operations) in succession to Mr. Brooks. All the above appointments are from October 1.

Mr. D. W. J. Russell has been appointed managing director of Harrison Beacon and sales and marketing director of Harrison of Birmingham. Both are members of the McKECHNIE GROUP.

Jack R. Shorter and Mr. David C. Pearson have been appointed deputy-chairmen of AUSTIN REED GROUP. Mr. Shorter, an executive director, is responsible for retail operations of the McKECHNIE GROUP.

Cowley stewards oppose company-wide deal

BY OUR MIDLANDS CORRESPONDENT

RYLAND CARS' shop stewards representing more than 10,000 workers are trying to mobilise opposition to the company's proposed package of industrial relations reforms.

The package, which includes a document released yesterday by the Transport and General Workers' Union at Cowley, comes strongly against two of the principles basic to the Leyland deal - parity of pay between shop and company-wide bargaining and company-wide bargaining.

David Buckle, TGWU shop steward and district secretary, said the union would attempt to "thrust its proposals down the throats" of a sizeable minority had all the things of major industrial importance to the company, such as the 34 plants negotiate on an area basis.

Cowley will try to swing support behind its proposals at a meeting of all Leyland Cars TGWU senior shop stewards in Birmingham on September 13. This will provide the major test for the company's package, as the TGWU at national level has traditionally always fought against company-wide bargaining.

Leyland Cars is taking a hard line and insisting that the deal must stand or fall as a whole.

Managers urged to check inflationary claims

MANAGERS IN British industry have a "clear responsibility" to pay demands from unions level which prevents inflation, the British Institute of Management says today.

Roy Close, the Institute's director-general, says in the same "Management Today" magazine is under great pressure to hold the line in pay negotiations. But he points out inflation will fall if the Government's pay guidelines for settlements are kept.

It is pay rises go above 15 per cent, "a steady rise in inflation is the dismal prospect," he adds.

Mr. Close also points out that while there is a growing acceptance of the manager's key role in industry, it has not been possible to acknowledge this role in pay.

In this country, the difference between what an unskilled worker earns and what a responsible, qualified professional can earn is probably smaller than in any other country.

The new trend of easing direct taxation and making it possible for people who are willing to learn more, to qualify, and to take responsibility, in keeping more of what they earn, must be pursued," he argues.

Mr. G. R. Lawrence has been appointed managing director of the LUMMUS COMPANY, succeeding Mr. R. E. Wise, who remains chairman. For the past three years Mr. Lawrence has been president of Lummus engineering-construction company in Sao Paulo, Brazil.

Mr. Jack R. Shorter and Mr. David C. Pearson have been appointed deputy-chairmen of AUSTIN REED GROUP. Mr. Shorter, an executive director, is responsible for retail operations of the McKECHNIE GROUP.

Mr. S. Procter has been appointed deputy chief executive of WILLIAMS AND GLYNS BANK, succeeding Mr. J. A. Brooks, at present a general manager (computer operations) has become a general manager, domestic operations.

Mr. W. D. Jarman, at present assistant general manager (computer operations) has been appointed general manager (computer operations) in succession to Mr. Brooks. All the above appointments are from October 1.

SIEMENS

Information for Siemens Shareholders

Growth in International Business

Siemens business continued to expand steadily during the period under review. This was due largely to high growth rates affecting international business, particularly in the export sector. Domestic business, in contrast, showed only slow growth.

Table with 4 columns: In millions of £, 1-10-75 to 30-6-76, 1-10-76 to 30-6-77, Change%. Rows include Orders received, Domestic business, International business, Foreign orders of German Siemens Companies, and Order backlog.

During the first nine months of the current financial year, Siemens recorded £ 4,820 million in new orders, a 13% increase over the same period a year ago. Because of the inclusion of OSRAM, Kraftwerk Union (KWU), and Transformator Union (TU) in these figures, percentage changes are stated on a comparable basis.

Table with 4 columns: In millions of £, 1-10-75 to 30-6-76, 1-10-76 to 30-6-77, Change%. Rows include Sales, Domestic business, International business, and Export sales of German Siemens Companies.

Siemens worldwide sales were £ 4,180 million, 8% higher than a year ago. Here, too, international sales, which rose 11% to £ 2,100 million, outpaced domestic sales. The latter, at £ 2,080 million, were only 6% higher than last year.

Table with 4 columns: In thousands, 30-9-76, 30-6-77, Change%. Rows include Employees, Domestic operations, and International operations.

However, sales growth was still not substantial enough to appreciably improve plant capacity utilization. Whereas our workforce increased from 304,000 at the end of the preceding financial year to 315,000 on 30th June 1977, the expansion was due solely to the addition of KWU and TU personnel.

Table with 4 columns: In millions of £, 1-10-75 to 30-6-76, 1-10-76 to 30-6-77, Change%. Rows include Employment cost, Capital expenditures and investments, Inventories, and Net income.

Capital expenditures for fixed assets during the report period attained £ 187 million. When adjusted for the inclusion of DSRAM, KWU, and TU, this is essentially the same volume as last year (£ 168 million).

At £ 93 million, net income was higher in absolute terms than for the same period a year ago (£ 84 million). However, since cost increases could not be entirely passed on to the customer, and since KWU and TU contributed more to sales than to net earnings, there was a slight moderation of the net margin from 2.3% to 2.2%.

On 10th July 1977, Siemens AG concluded an agreement with Allis-Chalmers Corporation, Milwaukee, for the formation of a jointly-owned company, Siemens-Allis, Inc., Milwaukee. The activities of Allis-Chalmers in the field of electrical engineering, comprising twelve plants with 4,300 employees, will be taken over by Siemens-Allis, who will serve the U.S. market with power engineering equipment.

All percentage changes based on comparable figures which take into account the inclusion in the financial statements of OSRAM (as of 1/1/76) and Kraftwerk Union and Transformator Union (as of 1/1/77). All amounts translated at Frankfurt middle rate on 30th June 1977: £ 1 = DM 4.024.



New System for Growth Market

With the new Siemens Text System 580, a written text appears on a flicker-free display screen where it can be corrected and then stored or immediately printed out. Stored texts or portions of texts can be recalled and combined to form the text of letters. The Text System thus provides a means of handling correspondence with greater speed and efficiency.

Siemens AG In Great Britain: Siemens Ltd.

OVERSEAS NEWS

Pressure on instant coffee

BY OUR FOREIGN STAFF

PRESSURE is growing on the military government, N. CONSUMER AFFAIRS CORRESPONDENT

Zia ul Haq, head of the military government, N. CONSUMER AFFAIRS CORRESPONDENT

155p for a four-ounce jar, and the bulk of this increase will be reflected in the shops. But the impact of these increases will be reduced by up to 5p a jar in those supermarkets which have not been promoting coffee heavily and by rather more to small shops.

The Retail Consortium, fearful of the implications of such a precedent, argued that cash margin controls were impractical. Instead, it offered to cooperate voluntarily in control on gross percentage margins.

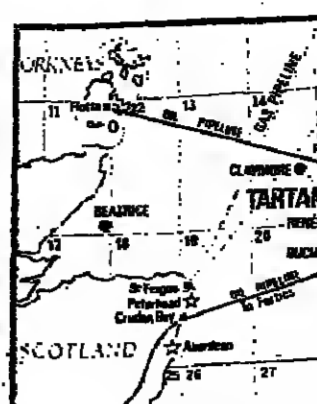
Left in drive to screen MPs

By Richard Evans, Lobby Editor

ONE IN ten resolutions for the Labour Party Conference this year calls for all Labour MPs to go through a re-adoption procedure before every General Election. This follows a campaign among activists.

Texaco to spend £250m on Tartan Field

BY RAY DAFTER, ENERGY CORRESPONDENT



TEXACO is to spend about £250m on developing its Tartan Field in the North Sea. The New York-based oil group announced yesterday that it was going ahead with a plan to produce oil and gas from Tartan by late 1979 or early 1980.

production platform will accommodate up to 30 wells. The oil group has still to complete the platform which, when complete, will weigh some 20,000 tons. Four U.K. yards are bidding for the order: Ship Fabricators; Redpath; Long; Laing Offshore; McDermott.

U.K. space candidates announced

By Michael Donne, Aerospace Correspondent

FIVE U.K. scientists have been nominated for the first European Space Agency manned earth orbital flight in 1980. The Spacelab is a manned laboratory which will be Europe's contribution to the U.S. Shuttle system for putting manned and unmanned payloads into orbit round the earth in the 1980s and beyond, replacing the existing system of boosting such payloads directly into orbit by rocket.

Full nuclear reactors probe if State wants to go ahead

BY IAN BREACH, IN WHITEHAVEN

AFTER SEVERAL months of uncertainty, it was announced here yesterday that there would be a full wide-ranging inquiry if the Government wanted to go ahead with a programme of commercial power stations using fast-breeder reactors.

Lord Silson, QC, counsel for the applicants, British Nuclear Fuels, cross-examined, said that even were all Mr. Leach's energy conservation measures to be adopted, it did not follow that the savings should be in the nuclear power sector.



It is significant that since the first wave of North Sea development the oil fields to receive the go-ahead from companies have been Tartan, Continental Oil's Murchison Field (with about 300m to 360m barrels of reserves) and the Buchan Field (15m to 250m barrels of estimated recoverable reserves).

PRIMROSE INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa) Directors: D. A. Lurie (Executive Chairman) D. J. Gevisser (Deputy Chairman and Managing Director) Alternates: L. R. Fullerton T. L. Richards

Announcement of Profits and Dividends for the year ended 30th June 1977

Table with 3 columns: Item, 1977 R'000, 1976 R'000, Percentage change. Rows include Group and associates turnover, Profit after normal tax, Earnings per share, etc.

COMMENT The profit of R2.03m should be viewed against the background of a decline in the building industry to the worst level in many years. July and August have shown no signs of improvement.

DIVIDEND DECLARATION NOTICE IS HEREBY GIVEN that Final Ordinary Dividend No. 42 of 2.5 cents per share, amounting to R269,339 has been declared payable to members registered in the books of the company at the close of business on 30th September 1977.

Bulk carrier launched

THE BULK carrier Birling, 3,750 tons, was launched by Clelands Shipbuilding Company, Wallsend, last night for Stephenson Clarke Shipping, of London.

NEWS ANALYSIS—THE U.S. AND ULSTER

Chicken and egg problem

UNWITTINGLY, no doubt, President Carter put his finger on Ulster's chicken and egg problem when, in his statement, he pledged, increased U.S. investment in the province, as soon as a peaceful settlement is reached.

created every year, in spite of unstinting Government subsidies, has dropped from 7,000 in 1971 to only 2,000 last year. Unless there is a massive injection of cash aid into the economy soon, possibly as much as £1bn, the jobless could rise to 18 per cent by 1980, a recent report prepared for the British Government has forecast.

Economic ruin

Since taking over at the Northern Ireland office last September, Mr. Mason has recognised that economic ruin now poses as much a threat to Ulster's chances of future stability as political uncertainty.

Labour cut

Ford is spending £10m on re-equipping its carburettor plant for its Fiesta model. Gallaher £2m on streamlining production. Berkshire £2.5m on textile machinery and Hughes Tool £4m on expansion.

Inequalities

That Ulster's problems stem from inequalities between the communities, and fierce competition for jobs, is no secret in Britain. But the U.S. view is often a less sophisticated one of simple religious differences.

First move

His first move was to wipe out the province's electricity service debt of £250m, so that it can bring its power charges closer to those of mainland Britain.

Natural gas conversion scheme ends this month

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS expects to complete its £1bn, natural gas conversion programme later this month. The 10-year exercise should come to an end in the week beginning September 19 when the last Scottish consumers will have appliances altered for North Sea gas.

Wedgwood switches to butane to avoid higher gas prices

BY DAVID FREUD, INDUSTRIAL STAFF

WEDGWOOD, the Staffordshire-based ceramics group, is making arrangements to switch to butane gas because of price increases in supplies from British Gas.

Left in drive to screen MPs

By Richard Evans, Lobby Editor

ONE IN ten resolutions for the Labour Party Conference this year calls for all Labour MPs to go through a re-adoption procedure before every General Election.

U.K. space candidates announced

By Michael Donne, Aerospace Correspondent

FIVE U.K. scientists have been nominated for the first European Space Agency manned earth orbital flight in 1980.

EMHAI QUARTERLY DIVIDENDS DECLARED

Table with 2 columns: Share Type, Dividend/Record Date. Rows include COMMON STOCK \$45/share, \$2.10 CONVERT PREFERRED \$1 \$52 1/2/share, EMHART CORP P.O. Box 2730 Hartford, Connec

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BRITISH ASSOCIATION AT BIRMINGHAM

Technology 'scapegoat for world's problems'

BY DAVID FISHLICK, SCIENCE EDITOR

SCIENCE AND technology are being made scapegoats for every-thing that is going wrong with the world... Sir Andrew Huxley, the Nobel prize-winning physiologist, told the British Association last night...

principles which deserve to be used only as clues for suggesting further inquiry... Sir Andrew said scientists themselves were being unreasonable when they claimed that they should be given a greater share of decision-making than fellow citizens...

Bringing jobs to the regions—STUART ALEXANDER at Sedgemoor, Somerset

Success in their own quiet way

"MULTI-DISCIPLINARY is what we need here," said Mr. Timothy Sheppard, the council's chief executive... "We recognise that the corporate approach works and we are very pleased at the way different departments have shown they can work together..."

opportunities present that harass youth employment officers in less successful areas... Sedgemoor is still growing in population and Bridgwater is growing at the fastest rate...

At the same time, officials, the council is studying the potential for growth in tourism... They also have a scheme to develop the neglected docks and wharves into a mixed residential and leisure area...

trying to create a place fit to invest in... At Tyne and Wear, both planners and architects emphasised that the creation of an attractive environment was being given special concern...

Caution The present balance has taken a long time to mix and the council is aware that it can only proceed with caution... They also have a scheme to develop the neglected docks and wharves into a mixed residential and leisure area...

U.K. fire damage down £2m. to £18m. in July

BY ERIC SHORT

THE ESTIMATED COST of fire damage in Britain in July fell from £22m. in the month to £18m., according to figures issued yesterday by the British Insurance Association... There were four fires during July where damage in each case exceeded £500,000...

NVT planning to produce lightweight motorcycles

NORTON-VILLIERS-TRIUMPH is planning to produce a range of lightweight motorcycles... The company, which claims about 10 per cent. of the ride-to-work market for its Easy Rider model, is also expanding its 4500-4800 cc year output to develop export markets...

Fashionwear concern expands

THE DEPARTMENT of Industry has announced that Mikita Fashion is to occupy an advanced factory of about 900 square metres, built in English Industrial Estates Corporation for the Department in Blackpool... Mikita Fashion, a manufacturer of women's clothing, is presently occupying small premises in Blackpool, but needs more room to manufacture its own brand-name garments...

Driving test waiting time cut to average 11½ weeks

THE WAITING time for driving tests—an average of 11½ weeks—has dropped by more than a month since August last year, according to a survey by the RAC... Longest waiting periods are in the Lower Mersey and Lichfield areas of the West Midlands where delays are sometimes up to 21 weeks compared with 18 last year...

Wales needs more jobs

CALL for a Work for Wales campaign to combat unemployment was made today by Mr. Iwan Evans, Plaid Cymru president... He has proposed in letters to political and union leaders, the log up of an all-party body to act as a pressure group to create more jobs in Wales...

Crime detection reduced by spending cuts

SPENDING CUTS have hit the police force in Norfolk, where the crime rate has increased but the number of criminals being caught has dropped... The Chief Constable, Mr. Gordon Taylor, says in a report to the county's police committee that any further reductions would be imprudent and unrealistic...

To Future Generations, Security



Social welfare is a subject of serious consideration in most modern societies... Daiwa Bank is not unique in accepting this responsibility, but Daiwa is unique in making acceptance of this role in society an integral part of their banking service... Daiwa is the only Japanese city bank to combine banking and trust business...

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TENNECO'S GROWTH 1971-1977

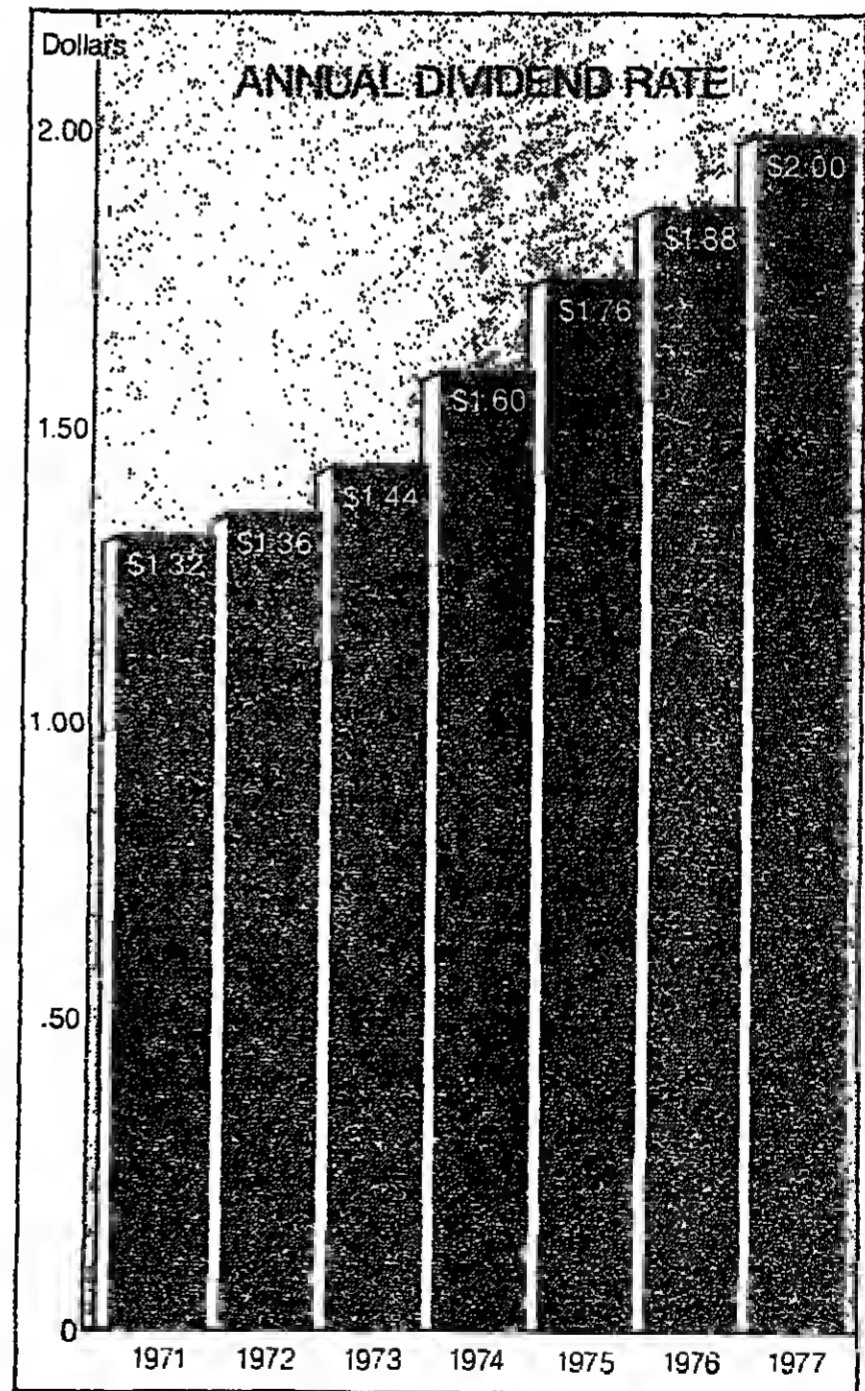
Tenneco sets \$2.00 dividend rate; sixth consecutive annual increase.

Tenneco has again increased its common stock annual dividend rate. This time, from \$1.88 to \$2.00. This latest rise brings the total increase in the dividend rate over the 1971-1977 period to 52%. And the 1977 third quarter payment will be Tenneco's 120th consecutive quarterly cash common stock dividend.

These dividend increases have followed naturally from Tenneco's earnings performance. During the 1971-1976 period, Tenneco's fully diluted earnings per share rose from \$1.92 to \$3.92, an increase of 104%. Earnings per share on average shares outstanding rose 100%, up from \$2.16 to \$4.33.

Concurrent with the Company's steady increase in its dividend rate, capital expenditures have risen from \$290 million in 1971 to an estimated \$800 million this year—a commitment to still further growth.

Diversification, sound reinvestment, decentralized control of individual businesses to allow for flexible management: that's the Tenneco approach. For further information, professionals are referred to Tenneco's financial analysts' yearbook, Tenneco Inc., Dept. H-6, Houston, Texas 77001.



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Tenneco

Copper

Of major base metals copper has easily the widest range of industrial applications, and is also an important primary export for many developing countries. For these reasons the long-term trend of market supplies and prices is a matter of some concern throughout the world.

In most need of economic help, but will also inevitably result in a shortage of a metal vital to industry in the developed world. The U.S. and Russia have a double interest in this since they are also major producers of copper, while Canada and Australia are leading exporters.

For the moment prospects do not look good for any major recovery in copper prices even to match the steadily increasing cost of production levels around the world, let alone to supply the huge sums required for investment in developing new production and expanding existing output.

It is estimated that world stocks of copper are now well above 2m tonnes, far in excess of the normal working stocks required. To make matters worse, these record stocks are likely to rise rather than decline unless consumption picks up sufficiently to match the increases in production capacity planned several years ago in times of shortage but only now just coming on stream.

Some producers have been forced out of business already by the losses sustained from producing too long at below cost of production levels. Others are likely to go too, and in North America particularly there have been some sharp cutbacks in output in an attempt to bring supply more into line with demand. But many of the developing countries, dependent on copper exports, simply cannot afford to cut back production in view of the loss of revenue and jobs in the high unemployment areas involved.

Waiting

Their only hope is to keep earnings up, if possible, by increasing output to offset the lower prices received and waiting until the situation improves as a result either of consumption rising, or of some setback in production elsewhere—or, finally, of some international agreement to bring prices back up to more reasonable levels. At present consumption prospects do not look too bright. The economic recovery promised by President Carter among others has failed to materialise, which means that the big surge in demand needed to reduce surplus copper stocks is still far off. The low price of copper compared with its main substitutes, especially aluminium, means that it is very competitive and should win rather than lose markets.

But the history of surpluses followed by shortages, and widely fluctuating prices, makes many consumers chary of switching to copper or relying on it too much. In addition, the electrical industry worldwide appears to be going through a period of low investment, as countries consider ways of reducing rather than increasing their energy requirements following the oil crisis. A sharp rise in demand earlier this year in anticipation of a possible U.S. copper workers' strike, and prospects of an industrial recovery, has faded out with consumers restoring stocks again.

On the supply side, the main production surplus has now been almost removed with the relatively quick settlement of the strikes by U.S. copper

workers that started when their three-year labour contracts expired on June 30 last. Although some producers have still to reach a settlement, the loss of production has been much less than feared because of the surprising willingness of some major producers to agree in a quick settlement at a high cost.

Instead of going up, as would have happened if there had been a sustained stoppage in the U.S., the world's biggest copper producer, values have gone down, with producers forced to cut prices even though some of them are still strike-bound or have agreed to big wage rises for their workers.

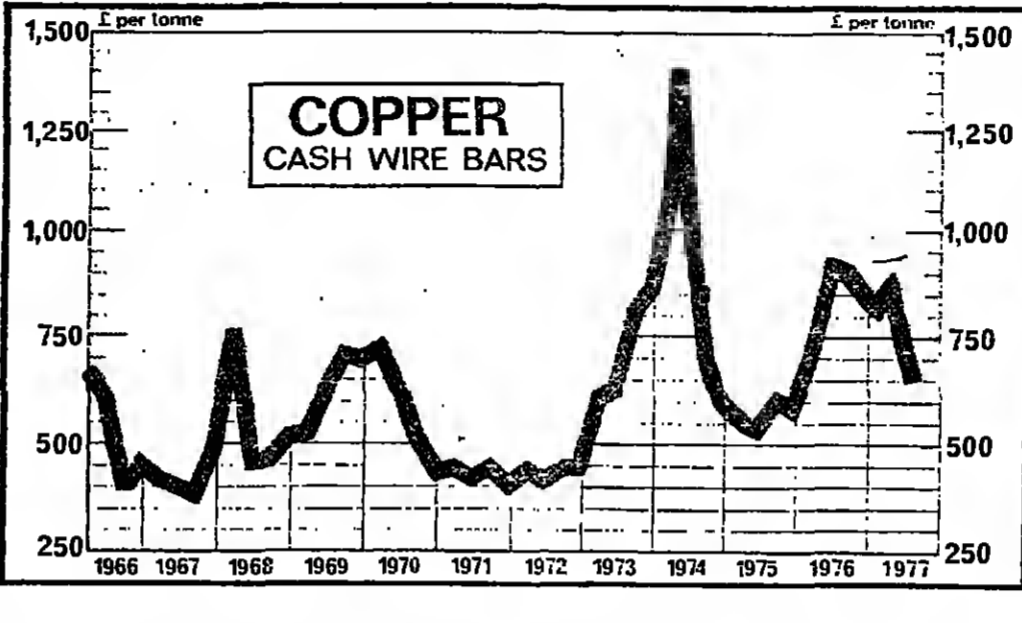
The latest price cut this month to 60 cents a pound from a peak of 75 cents a pound earlier this year demonstrates the poor state of the market in the world's biggest copper consuming country. Free market prices in London and New York are even lower, hence the need for U.S. producers to cut their quotations despite the steep rise in production costs resulting from higher wages and other increases, including meeting the stricter environmental controls imposed by the U.S. Government.

The other main possibility of a supply setback is in Southern Africa, with the constant threat of war overshadowing one of the world's major producing areas. However, production in countries like Zaire and Zambia has already been hard hit with little impact on the world markets in view of the ample supplies available either from stocks or alternative producing countries. So far the efforts of CIPEC (the Council of Copper Exporting Countries) to turn itself into an OPEC-style organisation have met with little success, partly because of the big primary and secondary production centred in the industrialised world and partly because of competitive differences between the member countries which tend to inhibit effective action. Its main success to date has been to persuade the Japanese to stop exporting surplus refined copper and so undermine world prices.

Faltering

But there are signs that even this achievement may be faltering. The Japanese Government has been forced to finance a stockpile of over 50,000 tonnes, and subsidise the smelters with low interest rates and other financial aids. It appears to be gradually easing the ban on exports, partly through permitting more sales abroad of fabricated copper especially to Japanese companies overseas. CIPEC is now adopting a different approach, widening its membership to include producers like Australia, which are opposed to a cartel-like approach. Efforts to win better terms for its members now seem to have been passed over mainly to UNCTAD and become caught up in the highly political negotiations under the integrated commodity stabilisation programme.

Metal merchants and consumers tend to be very sceptical about attempts to reach an international agreement on copper price stabilisation. They



WESTERN WORLD REFINED COPPER (000 tonnes)

	1970	1971	1972	1973	1974	1975	1976	1977
World stocks start year	817	1,117	1,159	1,285	1,086	1,748	2,527	2,704
Refined production	6,165	5,843	6,283	6,084	6,947	6,252	6,666	6,957
Refined consumption	5,739	5,722	6,243	6,943	6,465	5,481	6,468	6,702
World stock year-end	1,117	1,159	1,285	1,086	1,748	2,527	2,704	3,039
Ratio stocks to consumption (%)	19.3	20.2	20.5	15.6	27.0	40.0	41.8	45.3
Month's stock	2.4	2.4	2.5	1.9	3.3	5.5	5.0	5.4

Source: Copper Trends 1970-78, Amalgamated Metal Trading.

claim the proposed buffer stock mechanism would be impracticable and too expensive, worsening rather than improving the situation. But it is recognised, especially by the Carter Administration, that something will have to be done about commodity stabilisation, for which copper is a leading candidate. The painfully slow progress in the copper agreement negotiations highlights the difficulties and differences involved, but there seems little doubt some kind of compromise will emerge eventually. The forthcoming announcement of the future U.S. stockpile policy, under review by the Carter Administration, may give some clue since one suggestion is that the U.S. may decide to build up its depleted copper stockpile while prices remain at such low levels.

Meanwhile, in the absence of any unforeseen developments, copper prices appear to be destined to remain in the doldrums for a time. The upsurge in the London stock market and the former tone of sterling have reportedly persuaded some disillusioned long-term investors to liquidate their holdings and this has added to the downward pressure on the London Metal Exchange copper market, already burdened with record stocks of over 600,000 tonnes and very little consumer buying interest.

But it is difficult to see how prices can fall much lower bearing in mind that few if any producers are able to produce copper without loss at the present time, and that it is estimated a rise to over \$1 a lb. will be needed to stimulate investment in new capacity in even the "safest" political areas. In five years, or even fewer, the question may well be how high can copper prices rise.

World Copper Statistics Since 1950

This report is a comprehensive statistical compendium of the statistics on a country basis world wide relating to copper for the period 1950 through to 1976. It draws together in one volume the unique collection of copper statistics assembled by the World Bureau of Metal Statistics, over the last quarter of a century, and gives detailed figures on copper production and consumption from mine through to end-use by markets.

The data displayed in 25 tables is accompanied by a useful commentary, which explains its origin and relevancy in the context of the study as a whole.

"World Copper Statistics Since 1950" is an invaluable guide to the long term trends in the copper world, and will be a useful source book for members of the copper industry itself, commodity analysts, econometric model builders, and anyone wishing to understand the facts underlying the history of the copper industry over the last quarter of a century.

This volume, price £400, is available from the World Bureau of Metal Statistics, Crest House, 7 Highfield Road, Edgbaston, Birmingham B15 3ED. Tel: 021-454 7766. Telex: 339161.

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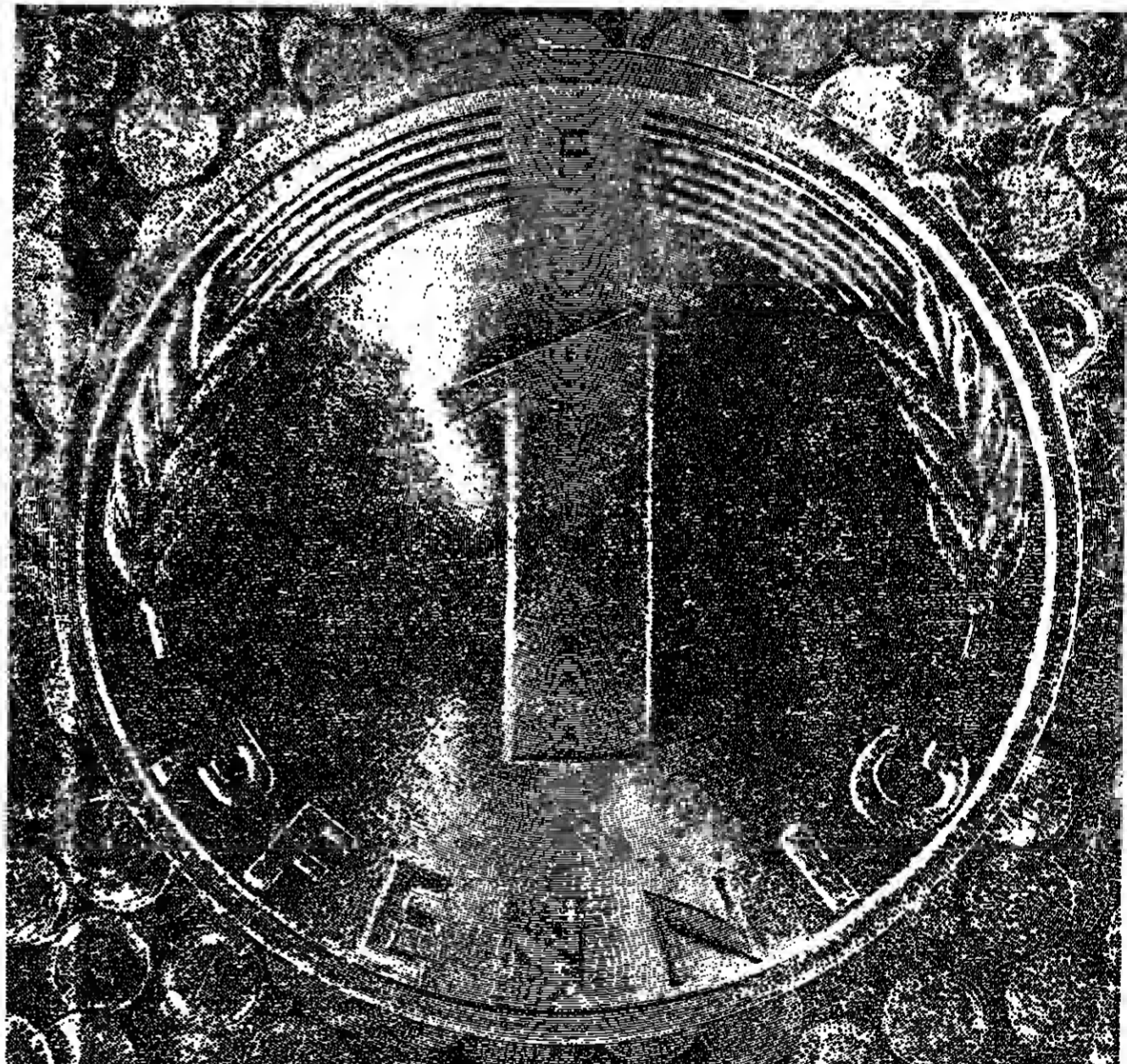
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Stocks weigh down prices
John Edwards
modities Editor

MUCH further can copper...
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Waiting
Their only hope is to keep...
earnings up, if possible...
by increasing output to...
offset the lower prices...
received and waiting...
until the situation imp...
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or of some setback in...
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THE WILD fluctuations in the price of copper on the London Metal Exchange (LME) are under constant attack—by producers when the market is low and by consumers when it is high. But with growing pressure for commodity price stabilisation now coming from both producing and consuming interests, the alternatives to the present system of basing prices on the Metal Exchange daily quotations are being examined with even greater care, especially by the experts involved in the negotiations on the formation of an international copper agreement.

Defenders of the LME, as a pricing medium have one powerful argument. While admitting that the system has many faults, and makes forward planning by consumers and producers a nightmare, it is claimed to be the only practical system

devised so far that actually managed to establish and maintain a producer price system. This is mainly because the industry is far more integrated, with mine producers not only owning the smelting and refining capacity, but also having major interests in fabricating—the consumers who buy both primary and secondary copper.

Pressure

But even with this strong position, the U.S. producer prices have come under increasing pressure from the merchant or "free market" metal, based on the LME or New York copper market prices, which is particularly competitive in times of surplus. The result is that producers find themselves at a distinct competitive disadvantage when there is too much copper around, being forced to adjust their prices constantly to remain competitive with "free market" supplies.

But when supplies are scarce producer prices tend to be held down in the interests of stability while "free market" suppliers gain the full benefit of the higher levels. It is this inflexibility to adjust to changing circumstances that has caused many producers, operating fixed price systems, to wonder whether they are doing the right thing for the profitability

of their company and for the industry as a whole. The examples of nickel and zinc, where producer prices were kept too high for too long encouraging substitution by other materials, must be of concern to advocates of a world-wide producer price for copper. Even the tightly integrated aluminium industry has suffered heavy losses as a result of price inflexibility leading producers with huge surplus stocks they had to finance themselves before the market turned in their favour again.

A major role of the LME has been not only to adjust copper prices to a realistic level reflecting the supply-demand position, but also to attract huge sums of money from outside the industry to finance the producers' surplus stocks. It is estimated that without the long-term "investors"—basically speculators—who have bought up copper in anticipation of a sharp price in the years ahead—current prices could well have been at least £200 a tonne lower.

have been successful in persuading speculators and financial institutions to share the burden. However, although speculators do provide an essential extra source of finance to the industry and help smooth out price fluctuations over the long term, there are obvious dangers of short-term price distortions if they are given too much control of the market. This tends to happen in times of surplus, the consumer and producer have no basic need to go to the Exchange for supplies, since they are adequately covered by the direct consumer-producer contracts under which the bulk of copper is bought and sold, only using the LME as a pricing base.

Influences

At the same time it is obviously unsatisfactory for both producers and consumers to have copper prices subject to excessive outside unpredictable influences that are not in tune with the long-term interests of the industry. Although the system has worked for 100 years or so, times change and there seems little doubt that the copper market will also have to adapt its attitudes in line with changed circumstances. Pressure for price stabilisation

from raw material producers encouraged by the example of OPEC, means that it may be impossible to retain the full fledged free market for copper in the future. Many people doubt whether the current negotiations for an international copper agreement linked with the United Nations buffer stock proposals will be successful in view of the practical differences involved. But it seems inevitable that some compromise will be reached that may result in radical changes in the copper pricing system, possibly relegating the London Metal Exchange to a minor role.

Various methods have been suggested, and mainly rejected by one side or another. A some sort of consensus appears to be emerging on a "ceiling" to the "floor" in the Tin Agreement—and keeping market prices in the range with the internationally held stockpiles, possibly export quotas which would hit at the root of the problem by introducing some form of control over production. Any arrangement, if eventually agreed, will have to be no looser than the Tin Agreement in view of the greater diversity of producers and consumers.

John Edgar

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Offshore commodity trusts

THE COMMODITY unit trusts' honeymoon with copper is over. It began when the trusts were launched in the winter of 1975-76. Copper was the obvious choice for a central position in their portfolios as the most widely traded commodity, a metal rather than a soft commodity which could be tucked away as a long-term investment and something the brokers recommended. Some of the managers came from organisations with a stock market background and perhaps they regarded copper as the blue chip of commodities, the Beecham of the LME. Not any more.

There are three main groups of offshore commodity trusts. The one with most funds under management can be styled the "holding" funds; that is to say they tend to buy physical metal and just hold it, although sometimes varying the proportions of different metals. They include, in order of size, Metals Trust (run by S. G. Warburg), Old Court Commodity (Rothschilds) and

Save and Prosper Commodity. These are the funds which probably have enjoyed their association with copper least. Old Court may be an exception because its own rules do not allow it to invest more than 10 per cent of the fund in any one commodity. But Warburg bought with both hands at the outset and 80 per cent of the fund was in copper. Of course it did very well for them in the first place and some was sold at a profit. But even after the collapse of the copper price since March, the fund is still 30 per cent invested in copper.

Save and Prosper is not overly fond of the red metal, now either. It echoes the sentiments of Warburg, "we did not expect it to come down as far as it has." And now it has come down so far, most of these trusts are unwilling to sell. Each of them has its own favourite statistic to illustrate how cheap copper is now; in dollar terms it is cheaper than at the nadir in 1975 and in terms of the Deutsche-mark it

is said to be at its cheapest for 15 years. The second group of trusts can be called the "dealings" trusts. They are continually moving in and out, buying and selling options and futures. The most successful of them has been the best performing commodity trust of all, the Commodities and Options Trust (run by Commodity Analysis). It refers to copper as "a great friend to us." Apparently it bought in February this year and mostly sold out in April—a little late but at least avoiding the subsequent fall from £300 per ton to around £650.

Options

The third group of funds is the "specials." It includes the First Viking Double Option fund which invests only in double options. This fund eschews copper altogether, at least at current option rates because "copper is not sufficiently volatile." More important, the group includes the Copper Trust

(run by Surinvest) which is the only fund to invest exclusively and fully in physical copper. The Copper Trust was designed primarily for the individual investor who could not afford to buy a whole copper contract of 25 tonnes. The minimum investment in the Copper Trust is only 50 shares which at current prices cost just over £500. Another advantage of the fund is that it takes away a lot of the paperwork from owning copper—the insurance and the warehousing. The management charge is 1 per cent per annum which added to the other costs, makes for total charges of 2.3 per cent per annum. Allowing for this cost, the price of units has kept very close to the cash price of copper.

Those who bought shares in the Copper Trust at its inception in December and just held on are now nursing a very small profit after having enjoyed zero income. But Surinvest hopes that investors will be prepared to move in and out of the fund. The turnover of buyers and sellers in the fund is quite high, more than 50 per cent per annum.

The problem for this is, though, is that the investor has less than the necessary money for a full contract often not an expert in commodities and is not well placed to decide when to buy and when to sell. He is better advised to go for one of the main funds.

Conversely the institution and rich individuals who have sufficient money to buy copper directly from the market generally do so and avoid management charge which invest makes. This is one of the reasons why the Copper Trust has not found a mass market and the fund is worth only a fraction of the total value of all the trusts of about £200 million. However, a new factor recently arisen which helped the Copper Trust and perhaps the other funds as well is beginning to look as if the tax position of investment in the commodity trusts is better than that of direct investment in commodities. Recently Inland Revenue seems to have been more inclined to treat profits made directly in commodity markets as its

Consumption doubts

COPPER CONSUMPTION in the U.K. has been reasonably buoyant, as a result of the export boom following the fall in the value of sterling in recent years. But overall there are serious doubts about growth in copper consumption throughout the world, despite the

present low price period that should make it far more price-competitive. Historically, copper demand has grown by over 4 per cent annually, reflecting the growth in the world's population and the move towards improved living standards. If some countries, notably China, boosted their per capita consumption of copper to the same levels as the Western world industrialised countries demand there would simply not be enough copper to go around.

But the world does not work that way. During the past years of erratic prices, and periods of supply shortages and surpluses, copper has lost ground to a variety of substitute materials. The main competitor in the past has been aluminium that has stolen a large part of copper's main outlet in the electrical industry and has also been challenging hard in other areas, notably transport, seeking for example to capture the car radiator market. The energy crisis, and the higher prices sought for bauxite, have persuaded aluminium producers to concentrate more on profits rather than "buying" volume by low prices. Aluminium prices are now not much less than copper, after having been about 50 per cent cheaper. But while competition from aluminium may lessen, rivalry from other materials like plastics and stainless steels continues and may intensify. Technological developments also threaten traditional copper markets, with miniaturisation and thinning down on semi-manufactured products cutting down the volume used. This is a process other metals, such as tin with tinplate, have gone through in the past in order to reduce costs and remain com-

petitive in the long-term. At the same time new techniques in the electrical industry in particular, such as the use of carbon fibres, could also bit consumption whatever the price or supply situation.

However, the prospect of ample supplies for several years to come, and the present competitive prices, should enable copper to make the most of its natural advantages in retaining markets that might otherwise have been lost and tapping at least some of the big potential for new uses. The recent period of surplus has made producers more conscious of the fact that copper has to be sold, like any other metal, if it is to retain its natural market share. New efforts are being made to co-ordinate the promotion of copper development and research as a means of not only boosting consumption but also making the most competitive use of the metal. This is part and parcel of the move towards greater stabilisation of supply and prices that would be welcomed just as much by consumers as producers.

But, these are long-term developments. In the short-term demand for copper depends very much on a revival in industrial activity, and sufficient financial confidence being created to attract new investment in the key industries in which copper is used and which mirror the world's economic health. It is pessimism about the general economic outlook that has depressed the copper market and brought forecasts of a downturn in the annual growth rate.

J.E.

CONTINUED ON NEXT PAGE



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Producers cut back mine output

BACK HAWK is a copper and zinc mine in the north-eastern American State of Maine. In a middle of October next it will be over to simple care and maintenance. The management of the Kerr Addison group has given up trying to produce a main production in the area of falling prices.

Canada have been cutting mine output and reducing production in the attempt to bring supply and demand back into balance. But they have been partially successful. The international stockpile of copper is not increasing as fast as in 1975, but it is still in the range of 1.7 million tonnes, has about four months' supply in the past on the basis of the weeks' stocks, it is faced with a stockpile about eight times larger than required.

The problem is that there is no uniformity of approach among the copper producers. Some are cutting output, others are increasing it. Chile, where production levels have a social political importance, has not been able to escape the price receiving per cent, have been continuing to output.

The World Bureau of Metal Statistics, which has recently reorganised and will be publishing a headquarters in London during the autumn, has reported that the 1976 copper mine production in Africa, Asia, Australasia and Europe was 1,810,000 tonnes, or a 1.1 per cent increase on the 1,785,000 tonnes of the first quarter of the year was \$29,500,000, on the basis of these figures the 1976 mine output is running at a level higher than the boom of 1972 and 1973, thus tending to compound the problems of

the producers, who are facing sluggish demand and low prices. Prices are so low in fact that even the low-cost producers are finding it difficult to break even. Although American producers have steadily lowered their price to 60 cents a pound, New York market values have remained consistently at a discount of several cents.

There seems no immediate prospect of relief for the producers, a point made clear by Bougainville Copper, a well-established mine in the Rio Tinto-Zinc group, in its interim statement on August 18 last. "The price has continued to fall and as at August 17 was 52 cents a pound, which is uncomfortably close to the cost of production. With world stocks of copper well in excess of 2m. tonnes, the possibility of any substantial price increase in the near future seems remote."

Worse

The copper producers would have found this situation uncomfortable in any circumstances. In fact their position is even worse because they have not been able to escape the general ill-effects of inflation on industry. For example, Palabora Mining, the RTZ group's copper mine in South Africa, acknowledged to be one of the world's lowest cost major producers, had to face in 1976 a 34.5 per cent increase in costs. In his last annual statement, the Palabora chairman, Mr. G. A. Macmillan said, "If we are looking for an after-tax return on our investment of 15 per cent, and this is marginal for a mining venture, we would require a copper price of R1953 per tonne on about £1310 per tonne on the London Metal Exchange to bring Palabora into operation under current circumstances. This is equivalent to

103 U.S. cents per lb which is very close to other estimates of prices currently quoted to bring a new mine into production."

Market prices have lately been less than half the figures Mr. Macmillan mentioned. The financial circumstances are thus inimical to the type of large-scale investment which would bring large extra capacity on stream in the mid-1980s.

Paradoxically, however, the unfriendly investment climate is not preventing immediate additions to world copper capacity. RTZ has estimated that this year Free World capacity will climb by 435,000 tonnes to 7.8m. tonnes and that between 1977 and 1981 additions will reach a cumulative total of 1.76m. tonnes. The peak year for new additions, according to these estimates, is 1979 with nearly 600,000 tonnes. Thereafter the annual totals tend to decrease.

While such plans as these figures embrace may be quickly altered or cancelled, they would tend to reflect decisions taken some years ago, especially where major new mines are involved. They also include extensions to existing mines, which are less costly than new developments.

Many of the large projects, especially for new mines, are in countries where the development of mineral resources is linked with a larger industrial strategy. Present price levels are not the major consideration. Thus Iran is pushing ahead with U.S. technical and management assistance, to bring the massive Sar Cheshmeh deposits to production.

Similar projects, at various stages of planning, exist in Peru, Mexico and Argentina. A host of smaller projects, scattered around the world from the U.S. to Australia, from India to the Philippines, will help to ensure that there is no shortage of copper available at

Constraints

Copper is a plentiful mineral. But this is not to say that there will be incentives to mine the copper. It has become apparent in recent years that the companies, in addition to facing the normal risks of what is at best a hazardous business, will have to come to terms with environmental and energy constraints and that the consumers will have to accept that copper will not in the future necessarily be a relatively low-cost raw material.

Just, however, as manufacturing industry and its consumers have been learning to adapt to the new economic circumstances created by the successive rise in oil prices since the end of 1973, so no doubt will the copper producers and consumers eventually accept what must emerge as a new price structure for copper.

Nevertheless, the private sector producers, working on an international scale, require certain conditions if they are to widen their search for and exploitation of copper deposits outside the traditional areas like the U.S. where the ore grades are tending to lower.

They need an atmosphere of financial and political stability and a streak of ingenuity in putting together the complicated financial packages necessary to finance large projects.

The issue of financial stability turns around security of tenure on deposits discovered and provisions to ensure adequate returns on investment contemplated. While few companies would now deny that sovereignty over resources rests with the Government in whose territory the resources lie, no general pattern has yet emerged on striking a balance between a Government in a developing country, anxious to lay hands

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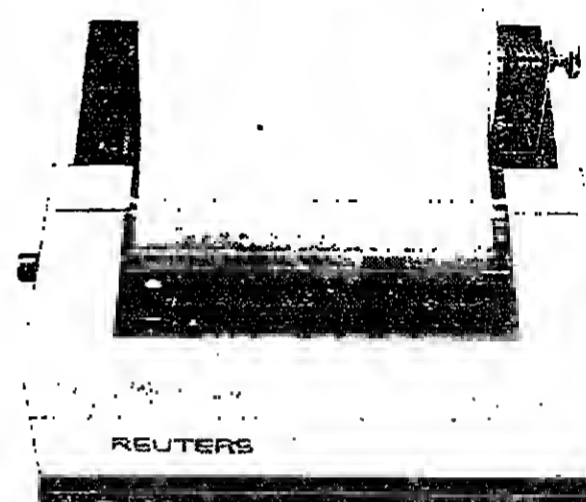
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(000 metric tons)

	1972	1973	1974	1975	1976
AFRICA					
Angola	2.3	2.7	2.6	2.0	1.1
Congo	24.8	38.2	36.7	38.8	41.7
Zambia	0.5	0.4	0.4	0.5	0.5
Zimbabwe	1.3	1.4	1.7	2.0	1.6
ASIA					
India	1.0	0.9	0.9	0.8	0.8
Philippines	13.6	13.0	12.6	9.6	4.0
Thailand	25.4	29.9	24.4	28.2	31.3
Malaysia	3.9	3.8	2.5	2.0	2.0
Indonesia	39.9	45.6	44.5	52.0	47.9
Japan	30.6	44.8	49.6	40.7	47.2
South Korea	0.2	0.5	0.5	0.5	0.4
AMERICA					
USA	103.1	111.8	112.1	114.9	130.3
Canada	256.6	292.0	279.5	292.2	309.0
EUROPE					
Spain	0.4	0.4	0.4	0.4	0.4
France	0.5	0.5	0.5	0.5	0.5
UK	1.4	1.4	1.4	1.4	1.4
Germany	14.9	21.8	20.2	6.6	6.6
Italy	3.8	4.1	5.0	5.2	4.0
Japan	2.3	2.5	2.5	2.5	2.5
India	31.8	32.0	32.0	30.0	30.0
China	181.9	175.8	179.1	178.9	197.9
USSR	21.5	28.3	26.1	25.3	42.4
Other	14.5	14.2	11.6	8.5	9.0
TOTAL	437.3	487.7	494.6	494.8	444.6
Monthly average	71.7	706.6	698.0	678.9	708.9
1976 Total	1,407.5	1,475.4	1,473.1	1,426.1	1,462.5

Trusts

CONTINUED FROM PREVIOUS PAGE

profits, thus attracting income tax at the highest marginal rate. The usual way round this is to create a company which pays tax at the corporate tax rate of 52 per cent.

But if the profits of investment in commodity trusts are only liable to capital gains tax at a maximum rate of 30 per cent, then the attraction is obvious and the bother of creating a company is avoided. The Inland Revenue might not be averse to this favourable treatment. At least with a commodity trust the inspectors can be fairly sure that an investor is not going in for really serious tax tricks such as channelling losses through a high tax route and profits through a low one.

Surinvest has been so far as to obtain leading tax counsel's opinion on whether U.K. residents profits on the Copper Trust are liable to income tax or capital gains tax. Counsel decided that the capital gains tax rate would be applicable for several reasons. But it is plain that the position of the Copper Trust is much safer than that of some of the other funds since the Copper Trust is the ultimate in "holding" funds and the main justification for taxing profits as income is that dealing is frequent enough to make it a "trade."

The position of the other funds is less clear. The Old Court fund distributes so much of its profit that it is not very attractive to the high income tax payer anyway. The rest at least have not heard of anyone suffering income tax rates as high as 50 per cent. The Inland Revenue itself says that individual circumstances are judged on their merits.

The Copper Trust is the only commodity trust which offers an undiluted investment in copper and its tax position looks relatively clear. Among the "holding" trusts, the Metals Trust (only open to pension funds) still has the highest proportionate holding followed by Save and Prosper. But the "holding" funds have a better record than the Copper Trust over two and a half years

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* shows the recoverable copper content of ores and concentrates produced. * Production and refined copper plus production of ores and concentrates, for export as such, shown for individual months are estimates based on actual quarterly statistics.

Source: World Bureau of Metal Statistics.

The Marketing Scene

Chubb's war on crime

BY MICHAEL THOMPSON-NOEL

IT'S A WICKED WORLD, as a glance at any recent set of crime statistics tells. According to the British Insurance Association, "somehow" in Britain at any time of day or night a house is burgled every two or three minutes. Every 24 hours the burglars' loot from private homes is £30,000 plus. This growth market in crime may be attracting news for homebuyers but for the booming security and protection industry it is a challenge to be met. This is partly why Chubb Lock and Safe Company is about to spend £40,000 on a pilot-scale test campaign in the Home Lock TV area, starting on September 15. The main aim says Chubb, is to boost public awareness of home security.

The British area was not chosen by accident. Conventional wisdom would suggest that London and the South East are Britain's most burgled regions. A view apparently shared by Metropolitan

Police Commissioner Sir Robert Mark's observation that householders in London last year stood a one-in-50 chance of being burgled.

The figures show otherwise. Among the television areas, Tyne Tees actually boasted the highest number of burglaries per 1,000 population in 1975, at a rate of 13.2. Yorkshire (12.4) and Granada (12.3) came next. Wales and the West scored 8.8 burglaries per 1,000 with the Thames/LWT area rating a relatively modest 7.6.

The Avon and Somerset crime rate figures are probably the country's fastest-growing. Burglaries over the first six months of the year showed a 21 per cent increase to 5,629. But the Warwick test campaign is only one way in which Chubb Lock and Safe Company—part of the Chubb Group, whose other main divisions cover fire and alarms—is flexing its marketing muscle. Its total marketing budget

this year is £400,000, of which more than half will be spent on advertising. This is a big increase on recent years and reinforces Chubb's other principal marketing strategy, put into operation last spring, of converting all Chubb Registered Stockists into Chubb Centres.

The U.K. lock market this year should be worth around £45m, at manufacturers' prices. The market includes door locks, window locks, door peepholes and safety chains. Chubb says it has 8.7 per cent of total sales, although in the specialist £4m market for high-security locks, which cost an average of £11 compared with about £4 for a typical cylinder night latch, its market share climbs easily past 50 per cent.

Sales of safes—including vault doors and fire-protection equipment such as fire-resistant metal files and microfilm cabinets—are worth around £8.75m, of which Chubb has 69 per cent.

Biscuits—the £500m. crunch

THE BRITISH ARE easily the world's greediest biscuit eaters. Total sales this year through grocers and other retail outlets are expected to total around £400m, with a further £100m worth accounted for by caterers. So it is hardly surprising that the biscuit market is the battleground, periodically, for the sort of business punch-ups that characterise most markets of this size, writes Michael Thompson-Noel.

Things are quiet in volume terms at present, but that doesn't conceal the fact that there is the usual fairly hectic level of activity between rivals and between brands for a bigger share of sales. The No. 1 contender for the market championship held by the United Biscuits group is Associated Biscuits, whose brands include Huntley and Palmer, and Peck Freemantle account for around 20 per cent of the branded biscuit market, a little under half that enjoyed by United with the rest virtually even.

Although 1977 has seen little or no contract in the volume of biscuits bought, there has been a noticeable trading down by the housewives to cheaper, simpler varieties. United Biscuits' Pennywise range was particularly placed to pick up a good volume share at this end of the market, and Associated has now established itself, too, with Mrs. Peck's Bargain Biscuits, which is sold at the commonly competitive price point of 13p.

After what it admits have been some fallow years to new product development, Associated Biscuits has not only established the Bargain Biscuits range this year but filled a major gap in its list with the introduction of Jacob's Gridgrain Digestive; the digestive is Britain's best-selling biscuit and the sector is dominated by McVitie.

Associated says that its digestive was produced after many years' research—the main thrust of biscuit research is aimed at it by marketable improvements or changes in taste and texture—and that in consumer tests it was ranked to equal McVitie's. It was launched in March with a TV commercial featuring Sir Bernard Miles, and Associated is looking for sales of £1.5m, this year and perhaps £3m next. The company says that at the upper end of the market it will shortly introduce a biscuit that is "unique" in Britain.

Biscuits remains one of the most heavily promoted areas of the food market, so that Associated this year will spend approximately £1.5m, on advertising, most of it on television. Its policy is to give heavy and continuous support to the biggest sellers. Like the brand club and Jacob's Cream Cracker, its two celebrities, while providing short-term heavyweight support for new lines like the digestive.

The real battle, however, is at the retail level, with very substantial trade promotion and very heavily cut prices to which both manufacturer and trader contribute. Biscuits are a high-turnover, low-margin business, so that in times of comparatively sluggish market conditions the manufacturers strive to hold their volume by promoting heavily and continuously. This is certainly the pattern this year.

Jacob's Club, with expected sales this year of £23m, at retail prices, recently celebrated its tenth successive year as brand leader in the surprisingly large—£95m.—chocolate cookie market. Jacob's Cream Cracker, the company's other star, has always outsold all other plain biscuits. Its brand share is holding steady at around 36 per cent, and sales through grocers this year should be worth £12.5m, at retail prices.

Sales have been stimulated over the past two years by the introduction of a larger pack size: the 300g pack to sell alongside the 200g pack, usually allowing at least a 5 per cent price saving.

Given a static home market, Associated is keen to expand its export sales, which ought to be worth around £18m, this year. Some of the liveliest foreign markets are Canada, the EEC (particularly France), the Far East and Africa. But in terms of sheer greed for biscuits, there will never be a market like home.

The celebrity selling game

BY OUR MARKETING EDITOR

INGELS INC., the Hollywood Boulevard celebrity brokerage that specialises in matching up high-name celebrities and performers with interested advertisers and agencies, is establishing an office in London. The aim, according to the company's president, Marty Ingels, an ex-TV comic whose series, "I'm Tickers—He's Fenster," was unceremoniously ditched by ABC-TV in 1965, is to set up a three-way celebrity traffic between London, New York and Los Angeles.

British ad agencies anxious to sign up Hollywood names for their commercials, says Ingels, need not simply ring

his London office. Conversely, he hopes to open up the work opportunities for British stars in U.S. advertising.

In competition with many of the Hollywood "fat cat" talent agencies, Ingels says that the main service he has to offer is an ability to persuade previously unapproachable actors and actresses to divert part of their talents for a suitable fee, into ads for the small screen.

According to Ingels: "Ad agencies come to me with the hard ones first. Benton and Bowles came with a freebie first, asking for John Wayne for an American Cancer

Society campaign after B and B had tried in vain for three years." He produced the goods.

Ingels also came up trumps for Canada Dry, securing the services of Vincent Price and life insurance, to name but four, for a total of \$100,000, proving that "advertisers don't have to throw away money, even on stars."

No name seems big enough to daunt him. On behalf of a European brandy's print campaign, he signed up Orson Welles, Truman Capote and Neil Simon, then turned his sights on Sir Laurence Olivier and Rudolf Nureyev.

Ingels reckons there are numerous big British names ready to lend their services to TV ads, provided they're asked nicely. "It is doubtful, though, whether they would succeed in persuading Glenda Jackson into a follow-up of this summer's Boots commercial for which the £60,000 fee went to charity. That was probably a one-off."

"Most agencies ask too much money for an actor's services," says Ingels. "The proposition is never actually put to the actor himself, but if I can get to them and name a price, the chances are that I'll get a yes. Actors like to work."

TyPhoo tackles the chimps

IN VETERATE TEA gardeners will to 15, and Tetley has retreated to 15 per cent, in 18. This is a volatile market and percentage share fluctuates quite briskly. But on a July-July basis, TyPhoo's progress stands out.

Mike Newton, Cadbury TyPhoo's marketing manager, reckons there are two main reasons for TyPhoo's recent good performance. "First, we changed our advertising account to Geers Advertising about 18 months ago and now we appear to have got things right. We had to challenge the institution of the PG chimps—no easy task—and we seem to have done it. TyPhoo spends in excess of £1m, annually on advertising, despite an enormous number of PG drops in sales this year. In bags, we seem to be functioning extremely well as a business, and we've spent the last two years tackling its distribution problems. TyPhoo has long had the sales force. Every year it has a turnover of £40m, and sales have slipped from 20 per cent, witnessed by the brand figures.

Not that its rivals are standing still. Brooke Bond Oxo is about to relaunch its PG teabags with a £1m Press and TV campaign.

THE MATTHEW CLARK brand will speed £2m-plus during the autumn and pre-Christmas period. The biggest spender will be Martell, at approximately £700,000.

TEXAS INSTRUMENTS is planning a £350,000 Press campaign with merchandising support for its range of electronic calculators and digital watches.

LANCER BOSS, which says it manufactures the world's largest range of lift trucks, has appointed Fletcher Shelton as its agency. The account will be handled on a fee basis, equivalent to £120,000 above-the-line. Managing director Winston Fletcher says the agency has put on £1m-plus of new business in recent times, to take it to around £4.5m.

ENGINEERING MARKET Research is holding a course on advanced methods of marketing engineering products and services at the North Stafford Hotel, Stoke-on-Trent, from September 14 to 16.

Jackie Stewart, growth stock

BY JOHN WYLES, NEW YORK, WEDNESDAY

CHAMPION SPORTSMEN willing to lend their names to product promotion have long been a target for corporate advertisers, but it is rare for a sportsman to remain exploitable for long after his owner has retired from his or her sport.

Of course there are exceptions, but for every Henry Cooper there are a dozen names that enjoy a temporary fame and then fade into obscurity. Fame was not the name who at the end of the 1973 motor racing season Jackie Stewart contemplated his retirement and pondered the sort of life he wanted to enjoy as a three times world champion.

He decided that maintenance of earnings was to be a priority, and with this as his goal has evolved a sort of corporate plan for Jackie Stewart which has since taken him into a highly unusual mixture of promotional work ranging from a better driving campaign in India to developing client relationships for the manufacturers of a well-known brand of Scotch whisky.

These activities, together with extensive television work for America's ABC network, have in any extended Stewart's fame in certain parts of the world and thereby strengthened his attractiveness as a marketing vehicle. But Stewart's choice of work is by no means random for his retirement career has developed according to a carefully thought out set of criteria which stemmed partially from personal insecurities and uncertainties.

A Scot for whom the word "can't" might have been invented, Stewart claims that insecurity is a common trait among his countrymen. Analysing his position at the end of 1973, he quickly concluded that he did not want to live off the capital accumulated during ten years of motor racing. Equally, "I was never confident that I could make my way independently of the sport." At the end of 1973 the inquiries came in even faster than he had anticipated or hoped, and

one of his main concerns as he sifted through them was to select companies he could do something for without putting his credibility at risk. The Scottish streak of insecurity was not allowed to overcome a keen sense of personal

of 1973 and this has included the promotion of British seat belts and brands of windshield wipers. The long-standing Elf association brought with it the post of vice-president for market wheels, and with his television work they involved him in more than 800 hours of air travel last year.

He is reticent about his earnings and his corporate structure which involves a number of offshore companies, some of which are registered in Bermuda and Liechtenstein. A Swiss resident since 1968, his activities are coordinated from an office in Geneva. He employs the Mark McCormick organisation as his agent and often uses its network of offices during his travels round the world.

Stewart is keen to develop his television work for the future, and this has already taken him into pastures far removed from motor racing. Perhaps out that for the "soft ovals" documentary programmes he has worked in this year have included interviews with legends he has made through the sport, including Princess Anne, Prince Rainier and Princess Grace. He is a competent television performer whose low-key manner provides a welcome contrast (for the viewer) with some of his American colleagues.

This all adds up to a very demanding sequel to a very exciting sporting career. If he was still driving, Stewart reckons he could be earning £500,000 a year and does not challenge the suggestion that he may be no worse off in retirement. He greatly enjoys the commercial life, and one suspects that, as long as it lasts, Jackie Stewart will be a growth stock and definitely not a name from the past.



Glenfiddich, anyone? His work for the Scotch whisky firm is only one of Jackie Stewart's promotional assignments. Lending his name to products probably brings in £500,000-plus a year.

APPOINTMENTS

Assistant to Advertising and Publicity Manager

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One of the leading companies in the financial credit industry and a member of a large holding group, is seeking an enthusiastic and qualified man or woman to assist in the day-to-day running of its busy Advertising and Publicity Department.

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The job demands close and constant attention to detail in the production of copy and advertising, while not losing sight of broader marketing implications. There will be close liaison with the advertising agency, so an ability to give clear briefs and appreciation of production time scales is essential. Salary is negotiable according to experience and there is an attractive package of fringe benefits—including a non-contributory pension scheme and free life insurance.

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We're now expanding worldwide with a full range of banking services. We are equipped to assist our international oriented clients, and are active in the Euro-currency and Euro-bond market.

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Centrale Rabobank, International Division, St. Jacobsstraat 30, P.O. Box 8098, Utrecht, The Netherlands, Telephone 030-369111.



Detail of a self-portrait, Rembrandt (1636), Amsterdam, Rijksmuseum.

Thursday September 1 1977

The SEC attack on New York financing

By JOHN WYLES in New York

Ulster's Irish problem

THE LONG-ESTABLISHED bipartisan British Government policy of power-sharing in Northern Ireland may have appeared to receive a boost from President Carter this week, but in fact it is at present looking less likely to succeed than ever. President Carter's communique did include phrases about both parts of the community in Northern Ireland being involved in a solution brought about by peaceful means, and that could certainly be interpreted as support for the notion of power-sharing—but the whole tone of the statement is so ambivalent that it has been welcomed by almost all the disparate parties to the Ulster dispute. Every speaker in praise of the Carter statement seems to have found something in it to support his own point of view.

Mundane

On a more mundane level, sectarian politics are enjoying an unwelcome revival in the province. One, welcome reason is that the Provisional Irish Republican Army has lost much of its former civilian following; the disaffected Catholics are now available as voters and supporters of respectable political parties and to win their allegiance those parties will not un-naturally see the advantage of talking about an "Irish dimension," which means some kind of move towards the reunification of Ireland. The mainly Catholic Social Democratic and Labour Party was founded in an effort to secure a reasonable agreement on power-sharing with moderate Protestant parties, and for a few weeks in 1974 its leaders were Cabinet Ministers in the short-lived power-sharing executive at Stormont. But now it is suffering from internal divisions and some notable resignations (including that of Mr. Paddy Devlin).

The reason for the change in emphasis is that the loyalist parties have shown themselves to be implacably opposed to any solution that would bring Catholic parties into an Ulster government. At the same time, it is

argued, the Unionist M.P.'s at Westminster seem to be moving towards a policy of integration of the province with Britain.

In these circumstances, say the SDLP members who have turned away from power-sharing, the best option is an "Irish dimension" policy. Mr. Devlin, supported by Mr. Ivan Cooper, also an SDLP Minister in 1974, could not agree; hence their recent revolt. The prospect of a damaging general split has thus become imminent. At the same time two other recent developments indicate a move in Catholic politics towards renewed thoughts of reunification. The first is the re-election of Mr. Jack Lynch's Fianna Fail party in the Republic. At heart this is the party of reunification, whatever it may have to say and do in the international diplomatic arena.

The second new factor is the expected announcement of the establishment of a new Nationalist party in Northern Ireland. This would in fact constitute the resurrection of the existing but virtually defunct party of that name, perhaps with the injection of some strongly Republican-minded independents. The leaders of this party-to-waiting clearly feel that the times favour such a move, which is not a good omen for the policy of power sharing.

Machiavellian

Any immediate hopes that this analysis may prove wrong will have to be based on two rather thin possibilities. The first is that the SDLP leaders who speak of an "Irish dimension" are in fact engaged in a Machiavellian attempt to dis-orient the British Government that it insists on some movement towards genuine power-sharing, putting the necessary pressure on the moderates in the Loyalist parties. The second is that the genuinely non-sectarian Alliance Party will receive the greatest political reward from the present polarisation of Ulster politics, so that a shared administration can still be kept on the agenda.

MAYOR JOHN LINDSAY of New York gave a warning in early 1965, during his first televised fire-side chat after being elected, that the city could not continue to balance its budget by borrowing and thus forever postpone "the day of reckoning."

Regular and increasing borrowing did, however, tide Mr. Lindsay over two terms of office without reaching that day. It was to come in mid-1975, and next Thursday should show whether there is to be a political reckoning for the man who occupied City Hall when the city's financial edifice started to crumble, the diminutive, 71-year-old Mayor Abraham Beame.

If he loses next Thursday's Democratic primary which will decide who is to be the party's candidate in the mayoral election in November, no one is ever likely to convince him or his supporters that he has not been the victim of political homicide at the hands of the Federal Securities and Exchange Commission (SEC).

The murder weapon, if it proves to be such, is an 800-page catalogue published last Friday of alleged errors and improprieties by Mayor Beame, the City Comptroller, Mr. Harrison J. Goldin, and six of the most internationally famous New York banks. By one means or another, the SEC report said, they encouraged public investors to purchase New York City securities between October, 1974, and March, 1975, without disclosing the seriousness of the city's financial plight and the deterioration of the market for its debt obligations. This accusation is levelled also against the country's leading brokerage firm, Merrill Lynch Pierce Fenner and Smith.

According to the SEC, the behaviour of "certain" of the banks was additionally reprehensible in that some took steps to reduce their holdings of city debt at the same time as they were marketing fresh short-term securities.

So serious are these conclusions that it is small wonder that Mayor Beame has accused the SEC of rushing them out in the 11th hour of a political campaign, and that several of the banks named have produced figures to show that their holdings were broadly the same at the end of March 1975 as they were during the previous October, or had even increased. The SEC report is a gift for the Mayor's six main rivals for the Democratic Party nomination. It strikes at the very integrity of investment underwriting by accusing the banks of what is, in effect, insider trading.

More generally, the report confirms the suspicions of the many Americans who regard New York as a sort of latter day Sodom whose troubles are

largely self-inflicted and unworthy of sympathy. It provides ammunition also for those who hold that the city was brought to its knees financially in mid-1975 by a "bankers' ramp" of sleek, well-fed men who took care to protect their own interests before pulling out the rug from under a suffering citizenry.

The SEC has not accused anyone of criminal conduct, but it held that investors in city securities did not receive the protection of federal securities laws. Certainly the "bankers' ramp" school of thought will hope that the examination of the report currently being made by the U.S. District Attorney for the southern district will have consequences.

However, the events highlighted in the SEC report go back in part to the middle 1960s when the last administration of Mayor Robert Wagner won the approval of the New York State Legislature for technical changes to the city's authority to issue so-called Revenue Anticipation Notes (RANs). Traditionally, these short term notes had been used to help balance the city budget. They had previously been issued against forthcoming State and Federal financial aid, and certain fees and taxes to be collected. But the issues could not exceed total taxes due and payable during that particular fiscal year and aid actually received during the previous year.

Mayor Wagner's changes removed these specific time restrictions, and allowed New York to borrow against the Mayor's estimate of the amount of State and Federal aid due to the city and against certain taxes and fees not necessarily due in that fiscal year.

From then on the City's estimates of its revenues and its note issues began to lose touch with actual levels of income so that New York became imprisoned in an ever more demanding cycle of borrowing money to replace revenue used to pay off maturing notes. Short term debt ballooned from \$747m. in 1969 to \$4.5bn. in June 1975, when the public debt market finally became inaccessible to New York securities and the city was fiscally crippled.

During its 19-month investigation the SEC concentrated on the vital six months between October 1974 and March 1975 when the city was caught in the last vicious spiral of incurring ever more debt in order to pay off existing debt. During this time some \$4bn. of short term debt was issued, despite the fact that the revenues on which the issues were allegedly based were "uncertain, uncollectable, or non-existent," the SEC says. Emphasising the cost to the investor, it points out that by November 5, 1975,

certain short term notes were trading at a 35 per cent. discount below the face value, and that by the end of December the discount had risen to 45 per cent.

In launching one issue of debt after another, the Beame administration had no illusions about what it was doing, the SEC says. The report quotes an internal memorandum prepared on October 1 by Mr. Bank Morgan Guaranty Trust, Goldin, the Comptroller, which pointed out that "to balance

not provide adequate disclosure of the facts." The SEC adds: "In sum, the Mayor and Comptroller misled public investors in the offer, sale and distribution of billions of dollars of the city's securities from October, 1974, until at least March, 1975." The SEC is no less harsh in its criticism of the six major underwriting banks, Chase Manhattan, Citibank, Chemical Bank, Manufacturers Hanover Trust, and Bankers Trust. While

The bank's reaction to the SEC report has been indignant but brief, largely because they want more time to digest it. Manufacturers Hanover said its holdings of city notes were "virtually the same" in March 1975, as they had been at the end of the previous September. Morgan Guaranty said it had actually increased its holdings during the period, as did Citibank which added that it did not purchase any city securities for its own investment after

testimony last September, not finish a little earlier. Until last week, using the public relations advantages of an incumbent office, Mr. Beame had successfully turned public attention away from his handling of a fiscal crisis. A Press conference a day, plus a share of the police department's attention in capturing the Son of Sam, an alleged multiple murderer, had enabled the mayor to set up a lot of ground with a result that a New York Times poll published last week showed him tying for the lead in a primary race with Mr. E. Abzug, a former Congresswoman. There must be serious doubts whether support of the party machine in New York and the bulk of local organised labour save him in the primary elections, for the SEC appears to set the seal of disintegration of Mr. Beame's reputation as a first class budget administrator.

That reputation was the foundations of his first win four years ago, when he was Assistant Budget Director in 1952, then Budget Director for efficiency and money and reform. In 1961 he was City Comptroller by a majority over Mr. Beame, who received for Mayor, and re-elected in 1969. During second Lindsay administration Mr. Beame's careful and incisive battles with the city about city finances and supply of solutions to end Lindsay's annual budget crisis became his springboard for 1973 campaigns for Mayor. As the man who had in the continuing battle for 10 years, Mr. Beame could be said to have evaded some responsibility for the \$4bn. burden of outstanding debt, which New York carried in mid-1975, admitted as much in a so-called mea culpa statement in September of that year. The SEC report has now capped a series of accusations which are shattering blow at the credibility, and whose will not be merely won. There now are, for all serious doubts, whether the man can return, as Mr. Beame planned, to the public market in the autumn for the first time since 1975.

There is a strong possibility also that Congress will charge that the timing of the SEC report renders it a political batch job, the SEC maintains that there was nothing sinister in it. The commission was given until the end of August by congressional committees and this deadline has just been met. That does, however, leave open the question Mayor Beame put last Saturday: why the SEC, which between the public and he said completed hearing private interest.



Mayor Beame and Mrs. Abzug: his embarrassment may be her gain.

Variations on the Barre plan

M. RAYMOND BARRE, the French Prime Minister, described his economic stabilisation package of almost one year ago as a mixture of "the possible and the desirable," and no doubt he feels the same way about the refractory measures announced yesterday. Clearly, at least until recently, the Prime Minister would have preferred to wait a little longer before introducing what can be presented, even if he himself denies it, as a change of course. On the other hand, the economic and political pressures to act quickly had become considerable.

Unemployment

M. Barre, a year ago, set a number of broad objectives and in pursuit of most of them he has had some success. The French trade deficit in July was less than Frs.500m. and is unlikely to exceed Frs.13bn. for the year as a whole against around Frs.20bn. in 1976. On the foreign exchange markets, the franc has held up rather well: though that partly reflects the weakness of the dollar, it is also perhaps an expression of confidence in M. Barre. There has been no wage explosion: on the contrary, the rise in earnings has been at barely the same rate as the rise in prices. There has been some disappointment on the inflation front, but the Government is entitled to blame bad weather for the rise in some recent food prices, and the inflation rate for the year could still come out at less than 10 per cent.—considerably more than that of West Germany, but less than that of Britain.

Two factors seem to have combined, however, to bring about the new measures. The first was the continued increase in unemployment and the second was the approach of the Parliamentary elections next March. Unemployment in July reached 1.8m. and is expected to be higher by the end of the year, especially given the rather weaker growth forecasts now coming from Germany and even the U.S. That is not the kind of platform on which it is desirable to fight an election.

The measures themselves are relatively modest. The rise in Bank Rate, announced last September, is being reversed, so that the rate comes back to 8.5 per cent. The 1978 budget is to be presented in deficit. That has not been a normal French practice in recent years, but the deficit is likely to be financed partly by an increase in indirect taxes and partly by the issue of Treasury bonds and need not, in itself, be too inflationary. There is to be help for the construction industry, more public works programmes, the possibility of loans to large firms, and assistance to companies in financial difficulties. More directly for the consumer, there is to be an increase in child allowances.

It might well be asked how such measures can be expected to do much more to stimulate the economy than the extra Frs.10bn. or so which the Government has already injected in the course of this year. Yet the Government has two possible responses. One is that the essentially modest nature of the refraction is proof that the broad outlines of the Barre anti-inflation plan remain intact. The other is that it can now reasonably look forward to some kind of accompanying refraction from Bonn. The German Cabinet met again on this question yesterday and it has been widely signalled that some kind of package—perhaps not all dissimilar from the French—will emerge around the middle of this month.

Quarrels

Politically, the Government has also moved on to rather better ground than it had any right to expect only a few months ago. The opposition alliance of Communists and Socialists is in some disarray both over defence policy and over the degree of nationalisation that it would seek to introduce. Some of the quarrels within the government parties themselves meanwhile have been at least temporarily stilled, for they should have been, for, despite unemployment, the Government still has a great deal to play for in the elections.

MEN AND MATTERS

Pipe dreams in Rotherhithe

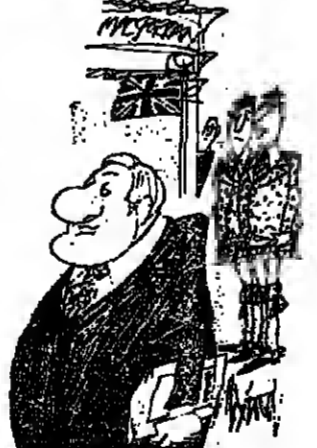
Any business in Britain today which expresses ambitions to leap from 19th century to 21st century technology in one go surely deserves congratulation. That is what the London Hydraulic Power Company hopes to do. It owns 165 miles of piping under the capital's streets and is now looking for something new to put in them, the old hydraulic system having gone, the way of horse trams, reliable postal services and so on.

Shuart White, the cheerful chairman of London Hydraulic (the presides from Rotherhithe over a diminutive empire of six maintenance men) talked yesterday of the pipes being useful for fibre-optic cables, the latest thing in carrying voice, data or video signals "over short distances."

There are other possible uses for leased pipe, all of them a world removed from the mechanical days of 1871 when an Act of Parliament empowered the Wharves and Warehouses Steam Power and Hydraulic Pressure Company to supply its commodity to anyone within 600 yards on either side of a seven-mile stretch of the Thames. The WWSPPHC hired the services of one Edward Bayzand Ellington, the Brunel of the fledgling hydraulics industry, who had pioneered the use of the new power in Chester and Hull.

Under Ellington, the first pumping station came into service in 1882, just in time to supply power to the new lifts which were being installed in the six- or even seven-storey skyscrapers then being erected.

In 1884, the network was extended to its present size, and changed its name to a more manageable mouthful. The peak came in the 1920s, when Tower Bridge transferred from steam to hydraulics for its major



"When an English politician with an Irish name from a Welsh constituency tours Scotland is he trying to show us what we might lose under devolution?"

power source, and when theatres like the Savoy and the Coliseum used it for lifting and lowering their curtains and backstage machinery. The company then had 7,500 customers. But electricity whittled away its prime market, and it shrank to a few hundred old faithfuls. Last year, Tower Bridge went electric, and London Hydraulic went to the government to ask to be released from its statutory obligations to supply high pressure air.

After 106 years, the company's hoped-for renaissance would come under new masters: its parent group is currently being taken over by Low and Bonar of Dundee.

Doctored

When Dr. David Owen, then a new and super-enthusiastic Foreign Secretary, shuttled round Africa last April, he was so keen to talk to accompanying journalists that they began to wish he would leave them some time to work in peace. Matters

are very different on his current trip. So frustrated were reporters by the wall of official silence that they composed a mock Press release, which was duly handed to the Foreign Secretary.

It read (in part): "British Foreign Secretary David Owen and U.S. Ambassador Andrew Young left South Africa today after talks that were described as being held. Before boarding their plane, a spokesman denied reports that the meeting had ended. He said: 'It would serve no purpose at this time to be drawn into this kind of nonsense or any other kind of nonsense for that matter.' When asked where the next stop would be, a source close to Dr. Owen said: 'We'll come to that when we get there.'"

Seeing the joke, aides passed the missive to the Foreign Office as part of the official exchange of cables. I suppose that in Whitehall it had the ring of total authenticity.

Open closed shop

Thousands of self-improving housewives throughout the land, having just been accepted for Open University courses, find themselves willynilly in a closed shop. This is the Open University Students' Association (OUSA) for short, pronounced "oosa". A leaflet put out to new students in London tells them that the association now has all-in membership and has "responsibility for voicing student opinion." Seeing that the Open University has 65,000 students, this has a somewhat formidable ring.

But OUSA general secretary Rax O'Hare says: "We expressly didn't call it a union." He explains that it was felt some members might object, largely because of the way "students have been presented by the media." A certain critical tone could be detected in O'Hare's voice at that point. Nonetheless, he stressed that



"I'd planned to have enough for these days I have to have some for the future."

When you've once known a reasonable standard of living, you have saved for your retirement, what can you do if inflation makes a mockery of all your careful planning?

You can turn to the Distressed Gentlefolk's Association.

To begin with, the DGAA will understand. Although they have 13 Residential and Nursing Homes, they know that people want to stay in their own homes, for as long as they can cope, keeping their friends and the roots they have put down over the years.

So, the DGAA helps with allowances. They send clothes parcels. They remember Birthdays and Christmas. They help with a little extra when a crisis upsets a tiny bud.

Please help the DGAA with a donation. And please remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION
Vicarage Gate House, Vicarage Gate, Kensington, London W8
"Help them grow old with dignity"

Handwritten signature or note at the bottom of the page.

هناك امر لخط

Australia

Recession caught up with Australia two years ago. Since then, a new government has failed, in the face of continued lack of world demand for Australian raw materials, to turn the economy around, and the signs are that recovery is still some way away.

Few good omens ahead

by Anthony Robinson

When Prime Minister Malcolm Fraser told Australians that "life was not meant to be easy" he struck a body blow at one of the principal assumptions behind that casual acceptance of the high and rising living standards which the people had got used to in the 1960s and early 1970s. Comfortably associated in the suburban homes of the over-privileged Australian, and there were plenty of those, happily made some repelled up consumer goods, took \$150n. holidays, and "fought" debt with higher wages in the dimly lit awareness that behind it all, admitted as many Australians, the "lucky" frated was a country "blessed with vast September of its mountains, food and minerals". SEC report has which foreigners were willing to with accumulation and invest in. With all this behind them, Australia even "plucked up the courage to kick out the mediocre back from the brink of bankruptcy. Liberal Government with its empty, girded its loins for the

long hard fight back to prosperity with stability, and bravely faced up to the new facts of international life. These facts are first that the world-wide steel depression means slack demand for iron, coal, nickel, manganese and other basic minerals, secondly that growing protectionism in the EEC and elsewhere, means restricted access for meat and many other agricultural products and thirdly that continued tariff and quota protection for Australia's own high-priced and inefficiently produced manufactured goods breeds resentment from its neighbours in Asia.

Like most outrageously bigoted statements Mr. Sinclair's obviously contains a grain of truth. The industrial suburbs were deliberately created in the immediate post-war years when Australian labour en masse in order to man the new manufacturing industries set up behind high tariff barriers in the name of economic self reliance. Little wonder that with these newcomers came the attitudes learnt back home in Coventry or Turin.

So life, after all, is not very easy for Mr. Fraser at the moment. Australian politics have become much more volatile in a recent years. The old days of 20-year regimes à la Menzies are over. The electorate furthermore is showing distinct signs of dissatisfaction with both the major parties—a phenomenon shown most clearly in the rapid upsurge of popularity for the third party, the Australian Democratic Party, now being formed by Mr. Don Chipp, a former Liberal Minister who has become bitterly disillusioned by the Parliamentary game as played in Canberra and the polarisation of political and social attitudes which has split Australian society since the traumatic dissolution of November 1975.

Australia is a polarised society at the moment, reflecting what the incoming Governor General, Sir Telman Cowen, has described as a "fragile consensus" on what Australia is all about. And yet, deep down, it is difficult to feel really pessimistic about the foreseeable future at least in the economic sense. Australia may be going through a bad patch, but so are we all, and for similar reasons. The decision to mine and export uranium and reasonable expectations of exploitable oil on the North-West shelf should add still to two new sources of export country," but getting the most income and economic stimulus out of it is likely to mean working the next decade and being considerably harder than in the past.

BASIC STATISTICS	
Area	2.97m. sq. miles
Population	13.58m.
GNP	\$A69.61bn.
Per capita	\$A5,156
Trade (1976)	
Imports	\$A10.18bn.
Exports	\$A10.70bn.
Imports from U.K.	£687.75m.
Exports to U.K.	£394.3m.
Currency: Australian Dollar	£1=1.57

Problems

Many of these problems might just go away if the world economy took off again as it did in the 1960s. Foreigners would then be clamouring to invest in new mining ventures, buying up existing agricultural and mineral raw materials, and turning a blind eye to irritants like labour unrest and the like. But the best which can be reasonably expected in this regard is a fairly slow recovery accompanied, however, by deeper structural changes in the world economy away from energy and raw material intensive patterns.

All of this puts the emphasis much more firmly than in the past on Australians' own efforts to put their economic house in order. On these grounds it is

Elections

Mr. Fraser is tempted to make a dash for another three years in power by calling early elections before unemployment rises to further politically untenable heights. The Budget tax cuts and the introduction of reserve power legislation to curb public sector strikes by allowing the Government to stand down public employees affected by strikes elsewhere in the service, serve to keep his elections options open.

There is little doubt that an election now would catch the Labor Party in a sadly unprepared state. The December 1975 elections swept the Coalition in with a record majority of 55 seats in the 127 seat chamber and left the Labor Party with a pathetic, dispirited rump in Parliament consisting mainly of faithful old timers from the really safe seats. Gough Whit-

lam himself was so badly shaken by the Kerr dissolution and his defeat that he is still only a shadow of his former ebullient self while his apparent Bill Hayden has yet to show he has the stuff of a determined leader. Much will depend on the ability of Bob Hawke, the charismatic President of the ACTU trade union federation, to head off any attempt at making the union issue the central point of an early election campaign.

Investment in other minerals is mainly a matter of time and depends on developments in the international economy largely beyond Australia's control. In a hungry world, markets will surely be found eventually for Australian beef, wheat and other exportable surpluses. Meanwhile there is now far greater awareness of the need to re-structure industry, improve the professionalism which is so sadly lacking in much of Australian management, create a more efficient domestic capital market and generally trim the flabbiness put on in the sybaritic early 1970s. Compared with most other parts of the world Australia still is a remarkably "lucky" country, but getting the most out of it is likely to mean working the next decade and being considerably harder than in the past.

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AUSTRALIA II

Weaknesses in the economy

WHEN Mr. Malcolm Fraser's Liberal Country Party coalition swept into power in December 1975 it did so largely on the grounds that the economy was in a mess but that given three years of sound economic management, it would restore confidence, lick inflation, re-establish international competitiveness and lay the basis for a new period of sustained economic growth and prosperity.

In practice, the underlying structural problems of the Australian economy have proved to be much more deep-rooted and stubborn than expected, growth to the latter national economy has been slow and the Government's success in curbing the growth of public expenditure, while contributing to cutting the underlying rate of inflation from around 15 to just over 10 per cent, has further depressed the domestic economy.

Under these circumstances, unemployment as of end-July climbed to 337,391 or 5.4 per cent, of the 6.2m. strong labour force, and union fears that the rate will climb to 7 or 8 per cent, next year are given substance by the proportion of 17.7 unemployed for every notified vacancy.

In spite of this, the budget, introduced by Treasury Minister Phillip Lynch on August 16 shows that the Government does not intend to be deflected from its long term strategy. This gives priority to the fight against inflation, and the shift of resources back to the private sector through a combination of investment incentives, income-tax cuts and a lower public sector deficit.

of all taxpayers in the \$A3,750 to \$A16,000 salary range will pay a flat rate of 33 per cent. This should make for a substantial redistribution of income in favour of higher income earners. All taxpayers will benefit from lower taxes, but those on the lower scale will find much of their whittled away by bigger taxes on petrol, aimed at raising oil prices to international levels in stages.

The budget assumes that GNP growth will slowly accelerate to an annual rate of around 4 per cent, at the end of the financial year, that is to say mid-1978.

Growth

Growth over the financial year as a whole is expected to be around 2 per cent, with inflation declining below 10 per cent. Provided the Arbitration and Conciliation Board manages to keep wage indexation below full inflation rates.

This is a highly doubtful assumption as can be seen by this independent body's latest decision to allow a 2 per cent rise in wages and salaries to compensate for the 2.4 per cent increase in the consumer price index (CPI) in the June quarter.

Unemployment is expected to rise slightly, only to fall back towards the end of the financial year. This is considered wildly optimistic by the unions and the Labour Party, whose deputy leader and economics spokesman, Bill Hayden has called for an extra \$A800m. of public spending to create more jobs.

Last November's 17.5 per cent devaluation of the Australian dollar, and subsequent crawling peg adjustments, do not appear to have had their desired effects on exports or have led to a substantial capital inflow.

The introduction of a variable rate deposit scheme in January (mainly to prevent a feared inflationary jump in the domestic money supply) added to the impression of a bigoted devaluation. This factor, together with continuing uncertainty about both the state of the economy and the exchange rate, has kept capital inflows low. The VRD scheme was removed in July.

The Treasury itself, worried about the effects of devaluation on its anti-inflationary strategy,

opposed devaluation and would have preferred to step up foreign borrowing and ride out the storm. The farming and mining lobbies finally got their way when uncertainty fuelled a massive capital outflow. Subsequent events appear to have proved the Treasury right.

Faced with a steady decline in reserves, the Government decided on August 11 to revalue its gold stock from \$A37 to \$A129 per ounce and so added \$A655m. to reserves at the stroke of a pen. This brought the official reserves as of end-July up to \$A3,053bn.

It then announced that it was negotiating a Euro-dollar bond issue with the Deutschebank. Further borrowing is expected, with the possibility of recourse to the IMF to the background, if required.

Behind the economic aggregates, however, lies the reality of a very particular economic structure capable of simultaneously producing great wealth and great distortions. The major export earners are the farming and mineral sectors who together produce over 80 per cent of export revenues but employ no more than 8 per cent of the labour force. Their exports ensure that the external value of the Australian dollar, when coupled with high domestic labour, transport and other costs, makes most of the rest of the economy highly uncompetitive—especially when compared with the highly productive industry of Japan or low wage economies of the rest of Asia.

Exports

And yet manufacturing, which produces only around 20 per cent of exports and then principally in the form of processed food and raw materials, is the largest single employer, although over the last ten years the proportion has dropped from around 28 to about 22 per cent of total employment.

The bulk of unemployment is now to be found in depressed rural areas and among the heavy concentrations of immigrants in the industrial suburbs of the principal manufacturing cities of New South Wales, Victoria and South Australia.

Partly as a result of the Jackson Enquiry into manufacturing industry in which lead-

ing trade unionists like ACTU chairman Bob Hawke and alongside leading industrialists, there is now a much clearer awareness on both sides of the problems of manufacturing industry.

This includes recognition of the need to improve management and quality and put the emphasis on assistance to bring Australian industry up to international standards rather than passive protectionism.

Jobs

But there is little chance of much progress being made in the economy generally until the unions can be offered new jobs to replace those lost in traditional industrial activities. Australia does have most industries which are fully competitive internationally—the heavy duty mineral train ancillary equipment being one—but the search for promising new industrial growth areas, likely to prove difficult, given the high transport and other costs and small domestic market of 147 people.

Textiles, shoes and clothing are the most vulnerable industries. They employ 133,000, many of whom are women. The fragmented motor industry, with five producers competing for a market of just over half a million cars, is another. The market would be substantially less if the Government did not restrict imports 20 per cent, and slap a 25 per cent tariff on top.

Under these circumstances the future shape of the economy is likely to show a further move away from labour-intensive industry coupled with efforts to ensure maximum participation in Australian production. Key areas like phosphate, oil, minerals processing, heavy engineering, and the like are already being assembled in Australia. The most important question is likely to be the growth of employment in the public sector and the manufacturing and service industries, while the rural sector remains the agricultural industries. In this case, Australia is destined to live with a higher level of unemployment for the foreseeable future.

Measures

Further measures to encourage oil exploration on the North West shelf and a decision to mine and export uranium indicate two new natural resource areas whose development should boost the economy in coming years—although in the short run the strategy is basically to sit tight and wait for an upturn in the international economy.

Thus the budget this year appears to be essentially neutral in macro-economic terms. But it includes a tax "reform" which sweeps away most of the former graded progressive tax rates and replaces them with a system whereby 90 per cent

of the future shape of the economy is likely to show a further move away from labour-intensive industry coupled with efforts to ensure maximum participation in Australian production. Key areas like phosphate, oil, minerals processing, heavy engineering, and the like are already being assembled in Australia. The most important question is likely to be the growth of employment in the public sector and the manufacturing and service industries, while the rural sector remains the agricultural industries. In this case, Australia is destined to live with a higher level of unemployment for the foreseeable future.

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Objective

In domestic terms it probably have been expected to proceed to the demand action on job-creation to pursue the tax objective, a relatively short time, if the Budget is likely to be as a very tough document.

The further cutback federal government are bound to mean the re-down or phasing-out of existing programmes from Canberra. The Government will then be on the Government to decide if they will be continued, so how they will be funded. There is a similar problem at the Federal level to real wages to improve productivity and international competitiveness. Implicitly, the whole shape of the Australian economy will really recover when the 'world does a profit' that these are the real 'wealth producers' of the community and the ones in greatest need of incentive. There may be argument about the philosophy (though it has

Some of their reasons are balance of payments.

Some of their reasons are balance of payments.



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AUSTRALIA IV

Government in trouble

VERY LITTLE has gone right for Mr. Malcolm Fraser's Government in the past year—except, perhaps, for the re-election of Mr. Gough Whitlam as Leader of the Labor Party.

which stands at 337,000, or 5.4 per cent. of the workforce, and is likely to rise to 7 per cent. next year.

New constituency boundaries are being drawn to take account of the statutory obligation to provide for population movements. When that work is completed during October, there is a popular theory that Mr. Fraser will ask the Governor-General for elections early in December.

Early in his term of office, and at a time when it was not relevant to current issues, the Governor-General, Sir John Kerr, expressed the view that the term of a Parliament should not be reduced significantly for reasons of political expediency alone.

After a matter of only three months' organising, the Australian Democrats are consistently scoring 7.8 per cent. in national opinion polls and 12.14 per cent. in some places like Victoria.

Chipp, one of their former ministers with a decidedly liberal (as opposed to Liberal) image, resigned from the party earlier this year and has rapidly established a middle-ground party calling itself Australian Democrats.

According to most of the polls, there would be every chance of the Government losing an election held "tomorrow." But an election will not, of course, be held tomorrow and in a real campaign situation, the Government is bound to win back a good many of those who are making their protest to the pollsters.

The opposing argument is that Sir John, having demonstrated his regard for the literal reading of the constitution, should say that the failure to pass the referendum leaves his original view unchanged.

With his retirement already fixed for December, Sir John would be much less affected by such a controversy than the Prime Minister. A refusal would certainly make the Government look rather silly—and nervous.

Organising After a matter of only three months' organising, the Australian Democrats are consistently scoring 7.8 per cent. in national opinion polls and 12.14 per cent. in some places like Victoria.

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Chipp is a strong "leave it in the ground" advocate on uranium but his new organisation has declared no policies on this, or any other issue.



Mr. Malcolm Fraser, Prime Minister of Australia

Speculation about early election dates has been rife for several weeks. Most of it started from private dinner conversations between Mr. Fraser and two groups of newspaper editors in July, with Mr. Fraser, as one of the guests wrote later, wanting it to be thought that he was keeping every possible option open.

There are two basic problems for the Prime Minister. The first is that he did not succeed in gaining approval last May for a constitutional amendment providing for simultaneous elections for the House of Representatives and the Senate.

ALTHOUGH THE Australian electorate is showing distinct signs of disillusionment with both the major parties, Prime Minister Malcolm Fraser has clearly consolidated his own, rather authoritarian, hold over the ruling Liberal-Country Party coalition and established himself abroad as a credible leader.

He is, however, resigned to losing seats at the half-senate elections scheduled for this December (and which are traditionally seen as by-elections in which to register a protest vote), unless an early general election is called beforehand.

Following a series of strikes in the public services sector, particularly postal workers, the Government has just pushed reserve legislation through Parliament which would allow the Government to stand down other workers in the public sector affected by strikes.

The daily party of the dollar is now in the hands of a three-man committee comprising the Treasury Secretary Sir Frederick Wheeler, the Secretary of the Prime Minister's Department Mr. Alan Carmody and the Reserve Bank Governor Mr. Harold Knight.

With that postponement, his calculations have become far more difficult. The House of Representatives election, with the Government at stake, could be as late as February, 1979. But an election for half the 64 seats in the Senate must be held before next June 30.

As the turbulence of the three years of Whitlam Government recedes from memory, and as he has been postponed until Mr. Fraser chose to take the Government to the polls.

Majority A record 55-seat majority in a House of 127 members gives the Government an unprecedented buffer against electoral reverse. But party planners in Australia these days hold no illusions about the volatility of the electorate—at least the urban section of it.

With a record 55-seat majority in the 127-seat lower house, and an initially demoralised rump Labor Party opposition, the main problems facing the Government have been the slower-than-anticipated economic recovery, growing unemployment and the legacy of bitterness and polarisation resulting from the dismissal of Mr. Gough Whitlam's Labor Government by Governor-General Sir John Kerr in November, 1975.

Progress towards fighting inflation and stabilising economies is incomplete, and this means that much depends on what Australians themselves do in Australia.

Heavily dependent on mineral and commodity exports, Australia has said, "in sympathy with the Third World countries" which, like Australia, faced tariff barriers by the EEC and other developed

beach sands mine on Fraser Island in Queensland. The part-privatised export performers were granted export permits by the then Minister for Minerals and Energy, Mr. Rex Connor, under the former Labor Government.

Following conservationists' objections, an inquiry was held into the mine and a report on the subject delivered to the new Government recommending cessation of mining. To the miners' surprise, the Government adopted the report.

While this was a defensible action, the Government then took a miserly line on compensation. Mr. Murphores, a listed Australian company, and Dillingham Australia, the local subsidiary of Dillingham Hawaii, claimed \$A23m. compensation. Seven months later the Federal Government has still made no firm offer and appears to be treating the matter casually.

Last January the Government said it intended limiting payments to an amount not exceeding one year's profit. As the partners had declared a profit of only \$51.5m. in the previous year this would be regarded as derisory compensation. The Government also seems to have trouble understanding that compensation ought to be related to the amount of investment and outstanding liabilities rather than operating results.

On overall economic strategy, Mr. Fraser conceded that "minerals development can create distortions. It is not an unmitigated blessing. Other industries, like manufacturing can be left behind. But we did have recurring balance of payments crises and quotas and tariffs all over the field in the 1950s and 1960s until mineral exports came through."

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A credible leader

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takeover of the Portus colony and the crushing of incipient independence movement. Timor remains a submerged reef on which number of political and bureaucratic reputations may founder.

Despite his adroit disposal of a low profile on most of more contentious aspects of Government's external relations, Peacock is associated with its failures as well as its successes. Australia's membership in the Association of South Asian Nations (ASEAN) in Singapore, Thailand, and the Philippines discovering a widening rift between the Fraser Government's rhetoric about the developing countries' actions when these conflict with Australia's interests.

The first official between Fraser and the Heads of Government on 8 in Kuala Lumpur a little jny for the Asian. Although Australia was promise an extra \$A90m it stuck firmly to its tionalist line and flatly to admit that the balance (currently two against the ASEAN) was any responsibility Australia's.

Foreign policy a strong card

THE CONDUCT of Australia's external relations has been marked by apparent inconsistencies, contradictions and confusions. It has nevertheless emerged as one of the strongest cards in the very mixed hand held by the Liberal-National Country Party Government.

The "Zimbabwe speech" is a good example of Malcolm Fraser's style of foreign policy. He was understandably praised by British liberal commentators when he casually used the name, as though he had been saving it all his life, during the Commonwealth Heads of Government meeting in London.

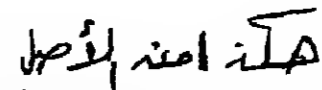
As Fraser expressed it in his Statement on the World Situation to Parliament a year ago: "A successful Australian external policy must be flexible, alert, undogmatic."

Much of the impetus for this flexibility has come from the Foreign Minister, 38-year-old Andrew Peacock. Widely regarded as one of the most able men in the Cabinet (and a contender for leadership should Fraser fall under the juggernaut of his own economic policies) Peacock has been overshadowed on the world stage by his Prime Minister much as Whitlam overshadowed his Foreign Minister, Senator Donald Willesse.

However belated and opportunistic, Mr. Fraser's leap into the Zimbabwe wagon deserved the praise it received. It illustrates the strongest—and in many observers, the most surprising—strand in Australia's foreign relations under this government: namely, flexibility, pragmatism, and realism.

The cornerstone of previous conservative governments in Minister and Presidential candidate Jimmy Carter during Fraser's visit to the U.S. last year. He has energetically promoted his department's initiatives in Third World diplomacy, such as active support for Vietnam's membership of the United Nations and other international organisations.

Continued on next page



Defence policy in flux

AUSTRALIANS spent enough money on gambling last year to fund the defence budget for five years. Although this statistic could be used to draw irrelevant conclusions about Antipodean priorities, the real problem for Australian defence today is not financial: it is philosophical.

Since the end of the Vietnam conflict there has been a real crisis in Australian defence circles about the direction of defence policy. The situation has not been helped much by the quite rapid withdrawal of American influence from the South East Asian region, the barely perceptible British presence, and the winding up of the South East Asia Treaty Organisation (SEATO).

The fact is that Australia's strategic circumstances have changed very considerably and at a much faster pace than the defence planners could have anticipated. The argument in the Australian political ring, unfortunately, has not got much beyond the cold-war stiltedness of the early 1950s.

Strategic

Innately, when Malcolm Fraser ordered a new strategic assessment from the Defence Department after winning the Treasury benches in December 1975, he got much the same advice. The paper was sent back to the Department with orders that it be revised. In time, the paper was returned written in

a style and tone more appropriate to the political bosses of the day. The Defence Department was not going to be stupid enough to force a confrontation on that issue. They had bigger battles in mind.

The problems of Australian defence are threefold. First, no one is prepared to state clearly what is the current policy on defence. Is it to be a "fortress Australia" concept or is it "forward defence"? Do we "cut 'em off at the pass" or wait till they lob on the doorstep? And that, of course, requires a definition of who "they" are. The second problem is to decide what sort of armaments and equipment to use. And third, how much is Australia to spend on that equipment and is it to be locally made or imported?

The answers to the second and third questions rely entirely on someone coming up with a response to the first. It is one that no Government can afford to give in rigid terms. By and large, the South East Asian region is relatively quiet, even stable. The biggest wars are economic; the toughest battles are being fought over tariffs.

But the hawks in the Defence Department are now talking about warning times of about two years for middle-level threats (that is an Australia versus Indonesia row) down to only a few weeks for involvement in a major conflict that would arise from the Australian alliance obligations. In terms of Australia being attacked, the proposition is not dismissed but it is viewed with a good deal of scepticism. Australia is simply not an inviolable sort of country. There are 12,000 miles of coastline, the bulk of which is quite inhospitable, uninhabited, and undeveloped. The only part of value is the eastern seaboard which is populated, has all the major cities, the industries—and the armed forces.

To take Perth might be possible but it would leave any further advance a complete waste of time unless the potential enemy had a crazy desire to capture a desert. The same goes for Darwin to a lesser extent; the prospect in the Northern Territory could become more pleasing for an invader once the uranium mines are opened up.

change to Australian defence planning is dictated by the increasing number of countries adopting 200-mile exclusive zones. In the region, New Zealand and Papua New Guinea have introduced legislation to declare 200-mile zones and Australia is on the brink of doing so. The South Pacific Forum, the grouping of 11 mainly tiny island nations in the region, has been considering the implications of the Law of the Sea Conference at an important meeting in Port Moresby this month.

A 200-mile zone provides Australia with an enormous logistic problem. The zone adds about 2.5m. square miles of ocean to be patrolled and policed. The Royal Australian Navy at present has an inshore fleet of only 12 fast patrol boats, of which one quarter any one time is in dock being repaired. If a 200-mile fishing zone were declared to-day, there would be up to 200 foreign fishing boats, mainly Japanese and Taiwanese, in Australian waters. There have been more than a dozen arrests this year of foreign

boats fishing inside the current 12-mile limit. There is a feeling that the Navy with all its best endeavours can catch only a small proportion of the raiders.

Alliance

Remote from Europe, Australia now has one significant alliance—the ANZUS treaty with New Zealand and the U.S. The White Paper acknowledges that both countries are important to Australia. It continues:

"Australia has local and regional associates with whom we enjoy close and co-operative relations. We must continue to support constructively with them to support stability and security in the general strategic situation; and by our own policy and effort we can insure against the uncertainties that continuing change will sustain and that could produce situations with which we may well have to deal on our own."

It is not very elegantly put or inspiring, but the message is relevant. **John Lombard**



Zelman Cowen, Governor-General designate of Australia

Ending the bitterness

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ZELMAN COWEN, who more precisely defined. He quotes, approvingly the judgement of the Pakistani Chief Justice Munir during the 1950s "the free exercise of discretion or prerogative power at a critical juncture is essential to the executive government of every civilised country."

As for the constitution itself Sir Zelman concedes that there is probably more republicanism in Australia than ten years ago but believes that "the Australian electorate has shown little enthusiasm for constitutional alteration of any sort and measures which touch the emotions, as would any proposal to establish a republic would encounter formidable difficulties. I do not see a great prospect of a success for a set of republican amendments at this time."

Strictly speaking the Governor-General is the personal representative of the Queen in Australia but, as recent events have demonstrated, it is far more than a merely ceremonial position. The Governor has, for example, to give his assent to a Prime Minister for an early dissolution of one or both houses of parliament. There is much speculation that Mr. Fraser is planning an early dissolution and elections. But he already has a substantial majority in both houses and Sir John Kerr is on record as saying that in deciding no a dissolution "the essential question is whether the Governor-General can be satisfied that Parliament has in fact become unworkable."

That would be difficult to sustain with Mr. Fraser's current majority and the decision to grant or refuse a dissolution seems destined to involve either Sir John or his successor in another major political and constitutional controversy in the not too distant future.

In domestic terms, the Fraser Government's foreign policy has generally been very successful. To be realistic, most Australians do not care about Timor, they do not really mind if the CIA plays up (a little bit) in Australia, they are not passionately concerned about the economics allegations made at a Malaysia or the Philippines, and they probably think it's a bit interfered in Aus-good idea if Malcolm Fraser politics and trades uses uranium as a card in his resources diplomacy with the ant period; and that a EEC electronic installation at Central Australia neighbours may understandably be used against Aus—being wondering where "enlightened realism" ends and unenlightened self-interest begins.

Bill Pinwill

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A.R.

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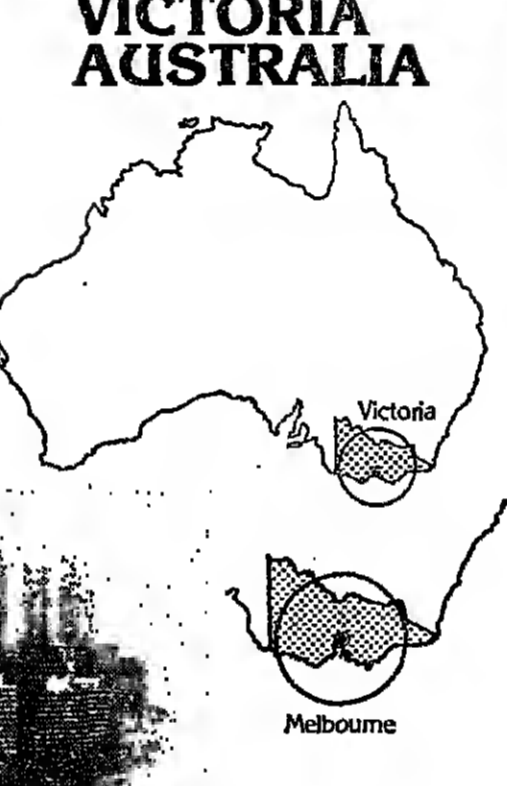
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MELBOURNE

THE GATEWAY TO SOUTH-EAST ASIA

BUSINESS AND COMMERCE

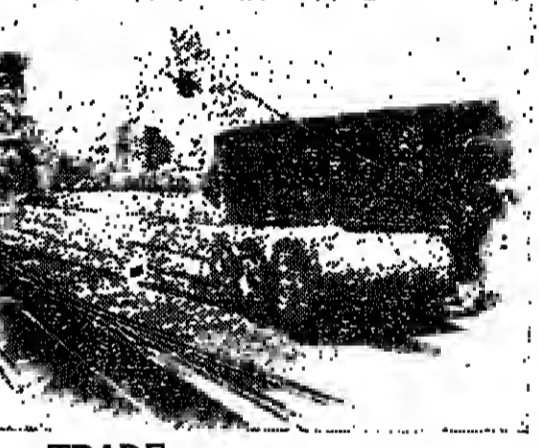
Melbourne is Australia's chosen business, finance and commerce capital. Eighteen of the nation's 26 largest companies are headquartered in Melbourne, as are the head offices of three of Australia's seven major trading banks. More than 40% of all foreign investment in Australia is controlled from Melbourne.



Victoria is Australia's smallest, most densely-populated mainland State. It is similar in size to the United Kingdom, but occupies less than 3% of Australia's total land mass. Victoria contains a quarter of the country's total population, and three quarters of all Victorians live in the capital city, Melbourne. A city of about 3 million, it is Australia's second largest, and fastest growing, capital city.

ENERGY

Victoria has energy resources in abundance. There are at least 130 billion tonnes of proven brown coal deposits, with a minimum of overburden — enough to supply the State's energy needs for hundreds of years. Four huge power stations burn the brown coal to create 85% of Victoria's electricity. Another 15% comes from hydro-electric schemes. In Bass Strait there are proven reserves of more than 200 billion cubic metres of natural gas — enough to last into the 21st century.



For the future, Victoria is developing methods to convert the brown coal into synthetic oil, and will have access to Australia's huge uranium deposits and a climate that will allow solar power to become a cheap and efficient reality.

TRADE
Victoria is Australia's trading capital. The State's transport and overseas cargo facilities make Melbourne the Gateway to the Australian and South-East Asian markets, which contain two-thirds of the world's population.

Three-quarters of the total Australian market is within 1,000 kilometres of Melbourne. Victoria's agricultural and manufacturing industries contribute nearly a quarter of Australia's export earnings. More than 80% of Australia's butter and milk exports are from Victoria; 60% of the country's motor vehicles; and 50% of the beef and veal.

TRANSPORT

Victoria's transport system moves goods and people quickly and efficiently. Melbourne's Tullamarine International Airport is one of the most modern in the world, with capacity to handle supersonic, freight, and mass air transport. A vast network of main arterial roads and the Victorian Railway system provide efficient links with major provincial areas and the State's four ports.



MANUFACTURING

More than a third of Australia's entire manufacturing capability is in Victoria. Today, Victoria produces 50% of all cars made in Australia; more than half Australia's textiles, clothing and footwear; a third of the nation's food, drink and tobacco products; a third of Australia's paper and paper products, and photographic and electrical products; and the State is the centre of Australia's aircraft manufacturing industries.



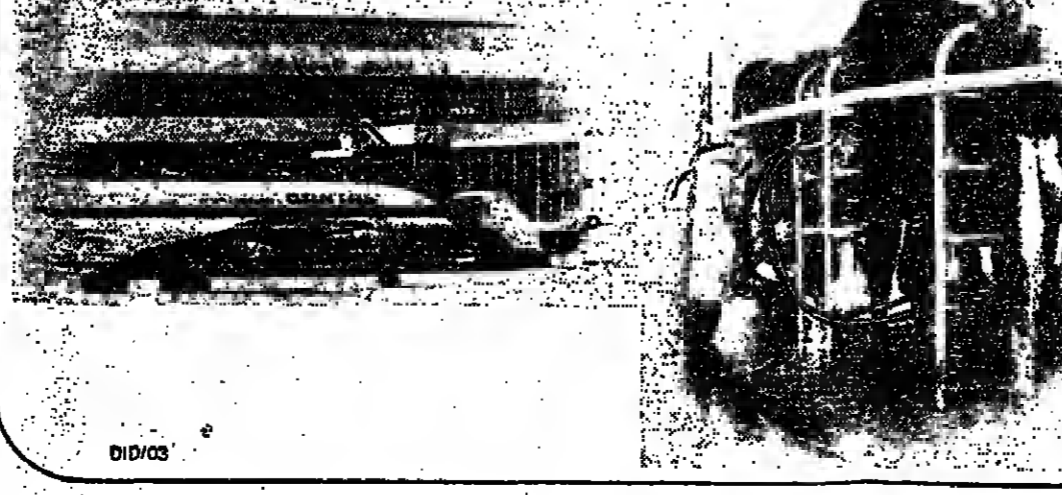
Many other industries are also showing continued rapid development, including steel and aluminium, electrical machinery, and plastics.

AGRICULTURE

Victoria is rich in grazing land and fertile crop land, and is Australia's most intensively farmed State, producing more than a third of the nation's agricultural products. The State provides half of Australia's total output of milk and cheese, a third of the country's beef, half of the mutton and lamb, and three-quarters of Australia's dried fruits. Victoria has 40% of Australia's irrigated areas, and is the main grower of fruit and vegetables.

The Victorian Government welcomes overseas technology and investment in development projects throughout the State, particularly in joint partnership ventures.

For further information on investment opportunities in Melbourne or Victoria, contact the Victorian Government's representative in London:
Agent General for Victoria,
Victoria House, Melbourne Place, Strand, LONDON, WC2 4LG, ENGLAND.
Telegrams YARRA Estrand London. Telephone 03 836 2656.



DID/OS

Frustrating time in mining

THE MINING industry has had its best year of the 1970s with accelerating improvement ahead. But problems are formidable. Often there is more evidence of hicksliding than of progress. Recovery has been painfully slow. Responses and reflexes of the 1980s have proved inappropriate and inadequate: hence the mood of frustration.

In the previous phase of mining expansion, time mattered more than money. To-day the opposite applies. Since the 1980s, the normal 2:1 debt to equity ratio has changed to 1:1. So twice as much equity is needed to set up the same unit of plant. Over the same period, costs have nearly doubled.

These compounding financing factors have thwarted most projects. Base metals prices languish well below levels needed to justify even the boldest entrepreneur's investment. Japan's steel industry has cut back its projected demand, although it will need more Australian iron and coal. While the aluminium market looks relatively strong, new smelter capacity is slow to come on-stream, delaying new bauxite-alumina ventures.

Mining's industrial problems (more widely recognised and criticised, but not much more widespread than normal) complete the picture. Only the energy commodities — coal, uranium and petroleum — have significant compensating factors, although no insulation from industrial and political trouble.

Whereas the 1960s was the decade of accomplishment, the 1970s has become the decade of compromise; and the trend looks like extending well into the 1980s. It has become necessary to find new ways to marshal capital, secure markets, and to put together and run the mines. Motivated by necessity, innovative corner-cutting is slowly being accepted as miners explore new concepts. The industry is emerging leaner and more mobile as a result.

Infrastructure costs accepted by miners in the 1960s have become an intolerable burden, often accounting for between half and two-thirds of the new "mine" outlay. Fearing the loss

of potential new projects, the States are pressing for either a special fund or rights to borrow unilaterally so that they can finance mining infrastructure, with miners amortising the debt at lower interest and for a longer term than normal commercial rates.

As mining economics concentrates on getting over the hump between financing new mines and getting in the first cash flow, the name of the mining engineering game has become wheeling and squeezing more output from established capacities. Apart from increasing management efficiency, this entails doubling-up on railroads, port sites and loading facilities, and introducing appropriate technology.

In the Pilbara iron mining area, the Hamersley group is building a plant to upgrade overburden and ship it out as premium product. The first \$A750m. Hamersley investment took capacity to an annual 36m. tonnes; the new \$A375m. beneficiation plant with ancillaries will add only 7m. tonnes, yet this is still considerably cheaper than taking the next step — opening up new mines using high-grade direct shipment ore nearby.

Upgrading

Although the Mt. Newman group plans a similar upgrading plant, and a year ago seemed ready to move ahead with it, this project is still hanging fire. Similarly, the Robe River project's \$A80m. expansion, freshened at the same time, has become the \$A25m. first phase in a \$A65m. expansion. Goldsworthy's plan for opening up its mining area with an 18m. tonne annual throughput at costs close to \$A1,000m. has been cut to one-third this throughput at just under half the cost — accompanied by heavy equity involvement by the likely consumers, the Japanese steel mills. This last reflects another notable industry trend.

New bauxite mining projects and their associated alumina smelters are taking even longer to pull together, despite aluminium's relative buoyancy. Last December the groundwork for what was in the world's biggest alumina smelter was pre-

pared, with Alcoa and Reynolds Metals joining forces for the Wagerup refinery 70 miles south of Perth. But this union fell apart.

Instead, Alcoa is to build the Wagerup refinery on a scaled-down basis, and Reynolds Metals, with the other West partners, News Ltd. and BHP, is aiming to bring in other partners for Western Australia's fourth alumina refinery to be located near the coal-mining town of Collie. The upshot is more delays, setting back the schedule at least nine months.

Fears of U.S. anti-trust measures were blamed for the collapse of the Alcoa-Reynolds arrangement. Alcoa risked being forced to divest itself of its profitable Australia operations if its relationship with competitor Reynolds Metals upset the authorities at home in America. Since with the far-reaching Friends of the Earth leak over alleged uranium price rigging, the smelt of cartel has hung over the Australian resources industry. The latest issue revolves round lead and zinc.

Alwest illustrates another trend, the movement of oil companies into mining. The most likely newcomer to the consortium is Anaconda, now a subsidiary of Atlantic Richfield. Most of the major oil companies are diversifying into minerals and metals. Nearly all (Shell is the most notable exception) seek a stake in uranium. The most recent move in the genera field was Shell's successful bid for Poseidon's 50 per cent. share in the Windarra nickel mine, now being run by Western Mining.

Poseidon, which epitomised the mining boom when its share price ran up from 80 cents in 1969 to \$280 in the first five months of 1970, has spent the year in the receiver's hands. Like other mining ventures, it was caught in the cost-price squeeze and ran into unexpected troubles. But the basic factor was its unwillingness to seek outside help until it was too late. It has paid the ultimate price for its spirit of independence. But no more than a dozen of its 300-plus contemporaries have survived as active explorers.

The east coast coal industry

has become the country's busiest mining sector, punctuated recently by a flurry of often contentious take-overs. Developing coalfields stretch from Queensland's Collinsville (MIM Holdings) in the north through Hall Creek, Nebo, Norwich Park (Utalit), Gregory (BHP), German Creek (Briant's NCB and others), Oak Creek (Houston Oil and Minerals) to the Warkworth fields inland from Newcastle, NSW.

Utalit is Australia's biggest profit-earner, but has become the target for industrial militancy. In response to Maritime Union demands that Utalit use Australian shps and crews, the company has stopped development of Norwich Park. Meanwhile BHP has stolen a march

with sales from the SA300m. Gregory coal deposit inland from Gladstone — an annual 3m. tonnes initially along a 7m. tonne railroad through an 8m. tonne loader.

However, the premium deposits at Norwich face marketing problems, and a different market is also available for the Warkworth deposits, where five new projects are being put together. CRA will have a big share there if its move into coal and allied industries succeeds. Nearby are developing deposits of Peko-Walsend, Wambo (where Le Nickel has recently bought it), and of Shell-Thless-Drayton and R. W. Miller.

Melbourne University's Institute of Applied Economic and Social Research expects coal to account for the biggest slice of

Boom likely in oil

AUSTRALIA'S offshore oil industry is poised for a boom. This does not mean, however, that the transition from downturn to upturn will necessarily be swift and trouble-free; the resources industry's recent history presents a pattern of hard slog and frequent setbacks. Oil was ready to take off a year ago and has made little progress since.

But "boom" is not too strong a word. In this context it is meant to convey a build-up in activity, a great deal of money laid out on a narrow base, leading to a mounting vulnerability to bottlenecks and shortages, and a growing recognition that the economic tempo is upheaving with the ever-present risk that the expectant mood will spill over into disillusionment.

Unhelpful policies have sucked the life out of the industry over recent years. The number of development wells fell from 136 in 1969 to four in 1975; the number of exploration

wells was down from 121 in 1970 to 21 last year. Belatedly, politicians are starting to count the cost of Australia losing its reliance on \$A2 per barrel indigenous crude for two-thirds of its needs and replacing it with \$A11 imported crude.

Even before the Fraser Government was elected, the Minister for National Resources, Mr. Douglas Anthony, was warning Australians that they would have to be prepared to pay more for their petrol. Oil men applauded this as a top policy-maker grasping the nettle (and about time too). But despite independent recommendations that Australian crude oil prices should be increased towards world parity the Cabinet has continued to shelve the issue.

Similarly, after the scandals of the Poseidon share boom, tax incentives for all resource exploration were withdrawn. Australian oil explorers became the babies thrown out with the bath water. They squandered their funds in fixed-interest lending in the hope that reality would return, or diverted

mining investment by 1980. Overall, it projects the volume of capital outlay on mining to double by the 1979 financial year — from \$A997m. in the current period to over \$A2.6b. then.

As the mining groups grapple with the realities of post-oil embargo economics, nothing happens quickly or easily. More than 30 minerals deposits that would be mines in different times or different places are backing up, seeking the right combination of numbers to get them moving. Only a sharp upswing in metal prices would budge them quickly, setting off the elusive surge of new projects. Meanwhile Australian miners are coming to terms with the fact that their 1980s bar is set into a 1970s tortoise.

Don Lipscombe

he dragged reluctantly to drilling sites and relaxed allocation procedures.

However, oil companies remain keen to explore and develop in Australia in anticipation, probably justified, that the political climate is improving. The west coast has become the focus for an upturn in the general oil search, a gas development and liquefaction venture, and a deep water exploration project that will change the boundaries of current technology. These three factors underwrite the coming oil boom.

Over the past year the general oil search has attracted a growing stream of overseas oil and Australian-listed companies from both the industrial and mining and oil boards. Tax benefits remain for groups that can write off exploration costs against profits from other operations. Exxon, Shell, Mobil, BP, Texaco, Cal-Atlantic, Atlantic Richfield, Aquitaine, Australia's BHP, Ampol and Woodside remain the main companies involved.

They have recently been joined by groups that include Gatty, Mitsui, Sumitomo, Allied Chemicals, Amax, Conoco, Canadian Superior Whitestone, Newmont, Gulf, Oxoco-International Mid-American Oil, Voyager Petroleum and Australia's AAR, CSR, Western Mining, Offshore Oil, Endeavour and a growing band of "junior explorers" with mining or petroleum pedigrees, plus a handful of industrials turned prospectors.

Having taken up the Burmab aquifer in the North West Shelf gas liquefaction project, Shell and BHP have been worrying the proposal through the bureaucracy since April last year. When it missed being finalised by last Christmas a whole year was lost; because of the bad summer weather in the "Cyclone Alley" where the gas is to be developed, the critical path cannot be edged back month-by-month. So the year has been spent trying to tidy up the myriad complexities of a project now being referred to in terms of a \$A4b. total outlay over the six year period before the gas is brought ashore at Withnell Bay, near the Pilbara port of Dampier.

The partners fear a subsequent Government may impose retrospective taxes or levies if they strike oil or attract LNG (liquefied natural gas) prices higher than expected. Governments want to be able to give the green light as evidence of their ability to get things moving. So the phase that has been fraught with posturing on both sides. While the federal budget did more for petroleum than any other industry, parti-

Sequence

The likely sequence of the several months for government processing of tenders, announcement of the success groups by early next year, followed by two years intense seismic surveying. After a long shot less than 400 miles west coast, the industry stretched to cope with a 30,000 miles of deep seismic needed to pinpoint a line targets: seismic data will be one of the first big spots on the road to re-opening Drilling at a minimum \$A5m. a well will follow. big structures warrant it.

With this build-up separate events, the year promises a marshalling of industry forces on Australia's west coast with an influx of professionals and work suppliers and consultants. The real action will start a year or two down the line, but current financial year can be regarded as a major turning point for the country's petroleum exploration outlook.

Uranium decision

LAST WEEK'S announcement by the Government that Australia would, after three years of speculation, develop a uranium mining and export industry barely touches on the shape that industry will take.

There were no great surprises in the Government's policy statements. The main emphasis in all of them was on demonstrating that the Government was alive to the complex range of issues involved — the environment, aboriginal welfare, foreign policy implications, non-proliferation of nuclear weapons and even the taxing of what are expected to be large profits by the miners.

Commercial interest, however, focuses naturally enough on the questions of who will be first into production, on what scale and by what means. These are the questions the Government has chosen not to answer, at least for the present.

Mr. Justice Fox's exhaustive inquiry into uranium development on the Government's behalf recommended that known discoveries should be developed one at a time, or sequentially. This is one of relatively few major specific recommendations from the Fox Inquiry which has been rejected.

The Deputy Prime Minister and Minister for National Resources, Mr. Douglas Anthony suggests that the sequence of development will be dictated by market forces and perhaps more than a modicum of bureaucratic control. "The existing deposits are at different stages of investigation and there will of course be different environmental and other requirements necessary in each case," Mr. Anthony said last week.

"This will result in practice in mines coming into production at different times. The Government therefore sees it as unnecessary to set down a specific timetable of sequential development and it is satisfied that completion of the requirements, which will be a prerequisite for any development in each case, will result in the Ranger (Fox) Inquiry's recommendations regarding development being satisfied."

The Ranger (Peko-EZ) and Nabarlek (Queensland Mines) projects seem certain to be the first into production with Yeelrie (Western Mining Corporation) and Jabilkua (Pancontinental-Gatty Oil) some distance behind and Kungarra (Noranda Australia) postponed

to the indefinite future. Ranger was the specific subject of the Fox Inquiry and its development plans have been approved so far as environmental impact is concerned. Nabarlek lacks a final environmental clearance but is further ahead in negotiating terms with the local aboriginal people. Both these projects are on designated aboriginal land.

Jabilkua is within a pastoral lease which the Government intends to resume but the land will then be subject to aboriginal land rights claims and, once they are settled, negotiation between Pancontinental and the traditional aboriginal owners. Jabilkua also lacks environmental clearance, although a final impact statement was submitted about a month ago.

Yeelrie, in the far west of Western Australia, is the only one of the major deposits under current consideration which is outside the Northern Territory. It can expect strong support from the State Government but its biggest obstacles are technical. Western Mining has to build a pilot plant to determine the final design for a full scale operation, and its mine is not expected to open before 1983.

Of the NT deposits, Kungarra is in the most sensitive and fragile ecological system, and the Government does not envisage it receiving development approval "for some considerable time."

Ranger has the further advantage of direct government participation under an agreement dating from 1974, when the Labor Party was not only in government but in wholehearted support of uranium development. The agreement provides that the Government will provide 72.5 per cent. of the capital for an operation to produce 3,300 short tons of uranium oxide a year. Peko and EZ would put up the rest, with the net proceeds of sales to be split between the two sides.

This may, in fact, become an increasingly important factor if investors and potential miners take at face value the present Labor Party policy to repudiate circumstances when it returns to power.

present Government's safeguards policy, which has had a decidedly cool reception from potential customers.

The Government has estimated demand for Australian uranium rising from 2,000 tonnes in 1981 to about 10,000 tonnes in 1985. But it seems, on present calculations, that three new mines — Ranger, Nabarlek and Jabilkua — could be producing about 7,000 tonnes a year in 1981-82 if there are no obstacles put in the way of their development plans.

This would give greater significance to the Government's intention to establish a uranium marketing authority, if it can do so without conflict with other countries' anti-trust laws. So far, there has been only the sketchiest outline of the Government's intentions for the authority.

According to Mr. Anthony, "it would ensure that the Government at all times has proper knowledge, oversight and control of the commercial arrangements, under which

Australian uranium exported." He also says the Government's desire for "orderly development" of new industry, but stopped of any suggestion that authority should be the marketing agency. The Inquiry, however, thought should be, and the post-over-supply situation in early 1980s would give to that recommendation.

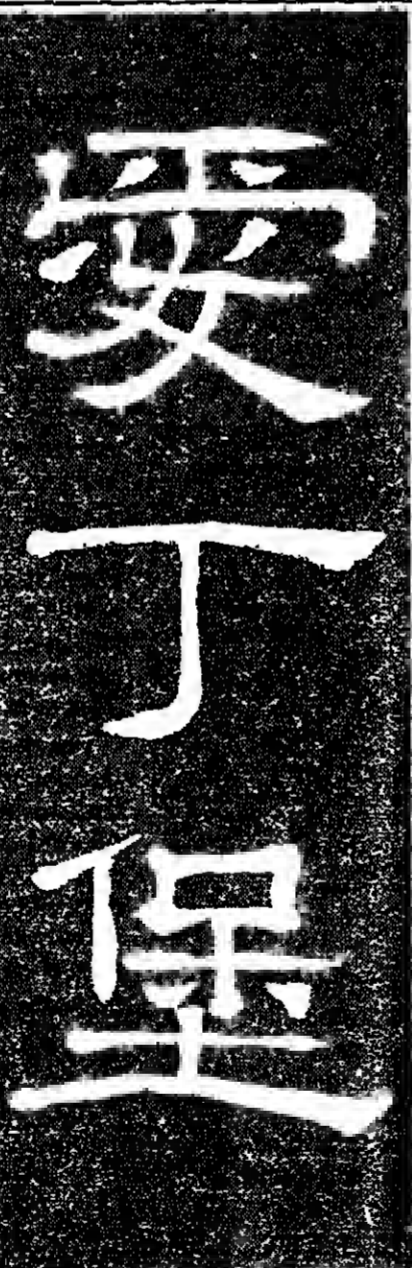
The Government's first head for the uranium has already given a sl edge to the public debate seems likely to figure in the next election campaign. Opinion polls still show a majority of Australian in favour of controlled development but there is no doubt the minority opposing it. Some are still predicting despite the announcement government policy, it will become as divisive as Vietnam.

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AUSTRALIA

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Queensland's rich seams

IT IS currently happening around the coal mines of Queensland has enormous significance for virtually the entire economy—the of foreign investment, the of the unions, attitudes of the environment and connected issues.

The existence of coal in the basin was discovered a 100 years ago by a legend, the legendary explorer of the basin, but the company put the basin on the map was the company Utah International. It took the lead back in 1965 when Australian

(ASL) who, having seen their membership dwindle to 5,000 as Australian coastal and other shipping has been steadily priced out of the market, are now seeking to get their members employed on Utah's coal-shiping.

The ASL in Brisbane estimates that it would cost Utah \$5 cent per ton to employ Australian seamans on the bulk carriers which ply the quadrilateral route Hay Point (Queensland) to Europe and then on to Brazil, the pick up iron ore for Japan and then back to Hay Point for another coal cargo for BNC, Finnsider and other European steel groups.

Includes

This includes the cost of employing 80 per cent more seamans than the Spanish crew presently engaged. They would be needed because of the relief crews required to satisfy the Australian union's 23 weeks shore leave annually. With 15 per cent of Queensland's registered seamans unemployed by ASL is recruiting and refusing to man the vessels needed to approach Hay Point in order to enforce their claim that Australian seamans should ship Australian mined coal around the world.

At current levels of profitability from its rich open cast mining seams and long-term supply contracts Utah is not suggesting inability to pay. The issues involved are much greater. Neighbouring New South Wales for example is another major coal exporter but its undergrowth mines make profit margins much slimmer. There is little doubt in anybody's minds that if the principle of Australian crews for Utah ships is affirmed this will be used as a precedent to try to push through the universal rule of Australian crews for all Australian export cargoes. Given Australia's distance

from its main markets, the high bulk and relatively low value cargoes and the scope for monopoly bargaining it is a situation which could put a stranglehold on exports and further cloud Australia's attractiveness to foreign investors.

This at one rate is the thinking behind the veto served by Utah on the ASL claims damages arising from the ASL backing of the Beryessa, the freight at Hay Point. It also lies behind the decision of Queensland Premier Joh Bjelke-Petersen to step into the dispute by declaring himself the stand-in behind the Utah crew at Hay Point and add to the pressure he brings to Utah that if they do give way on this issue they will be taken as proof that the Queensland state regulates on and are too low and will be increased. To complete the picture Utah has also decided to shift preliminary work on the new \$2,500m Norwegian Parliament develop-

ment and put the scheme into cold storage until the issue is decided.

It all adds up to considerable pressure on the union of seamans when unemployment generally is high and risks investment, especially overseas investment needed for new mining ventures is slack, and public opinion is being led from all angles. These are all factors which have influenced Utah's decision to take a stand now when it has the resources and political backing to do so, even though a stand of this kind does carry with it the risk of a widespread strike action if the so far verbal expressions of solidarity with the seamans are taken on by the trade union movement as a whole. There is little evidence, however, that any global contribution is needed by the ASL, particularly in what is increasingly looking like a prosectoral situation.

A.R.

The Aristotle, one of the Corporation's fleet of Minnie 1, in Queensland's Surat Basin, about 200 miles west of Brisbane, the capital.



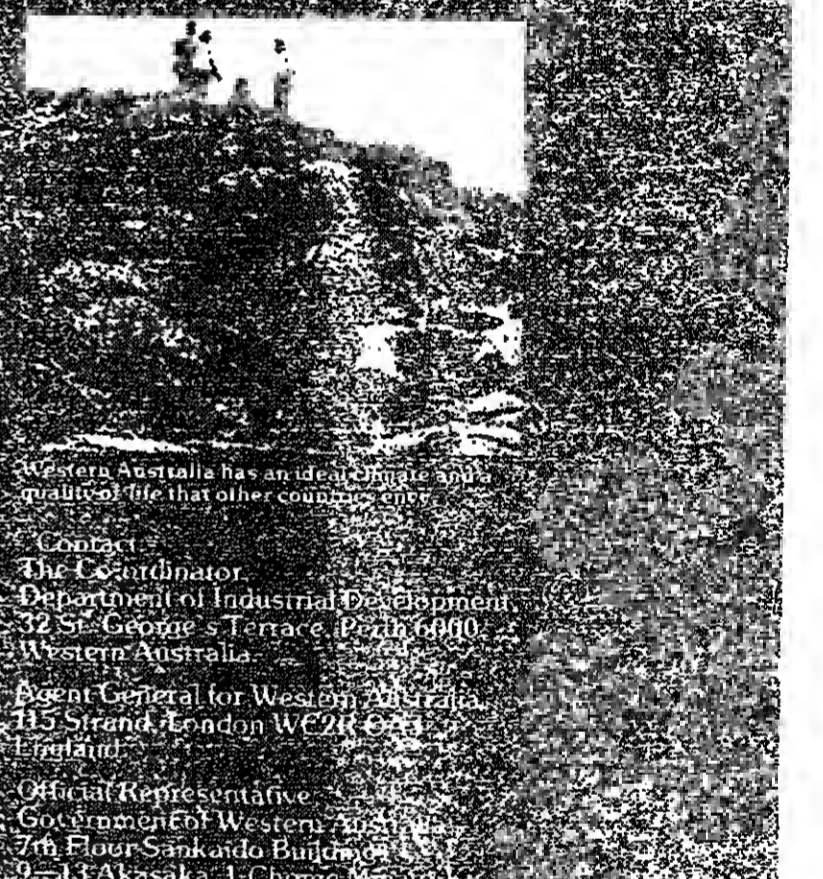
The prospects for manufacturing investment in Western Australia have never been better.

In little over a decade, Western Australia has become the world's second biggest producer of iron ore. Now, the stage is set for the largest single mineral undertaking ever attempted in Australia—the development of the huge natural gas and oil reserves at the North West Shelf.

Quite apart from the plans for our natural gas and the expansion of our iron ore industry, Western Australia's economy will receive a significant impetus with the new projects for alumina, nickel, uranium and other vital minerals. In this environment of industrial growth and political stability, there are opportunities for manufacturing organisations—for complete manufacture, components, assembly, joint ventures, licensing agreements.

Western Australia needs more industrial expertise and capacity investment. And if Western Australia's economic growth is not sufficient incentives, take a look at the markets on the east coast of Australia and the proximity of the markets in South East Asia and the Middle East.

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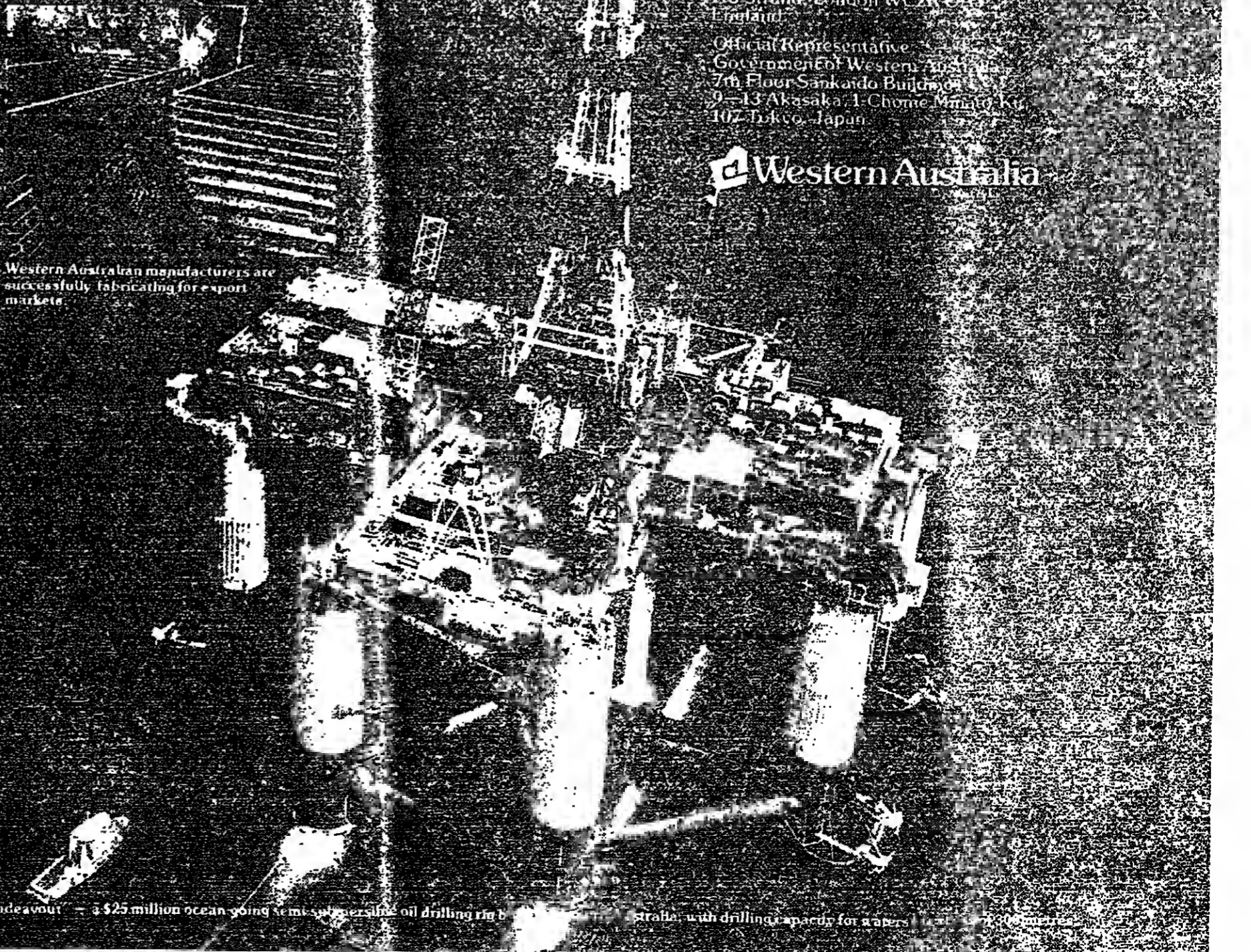
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A.R.

Sequences how bright can be seen \$4137m profit made by development of the Australian subsidiary owned 39.2 per cent by Australian and 60.8 per cent by Australian through the publicly listed Utah Mining Australia financial year and the made over the first half year.

Labor's bright young man

YEAR parliamentary criticism is directed against the lack of initiative shown by the Australian mining industry. It is a criticism that is well founded, for it takes years to get Australian capital market ground, and the Opposition have to be very seriously into investment in any investment of Australian oil and mineral resources by foreign-owned companies he believes.

On specific issues, Keating does not oppose the mining of uranium but believes that Europe does not need Australian supplies until the mid-1980s and Japan until the early 1990s. He also believes it important to get North West Shelf oil and gas off the ground, and to this end is prepared to allow export of sufficient quantities to make the project viable, but still ensure supplies for a pipeline to supply the eastern states of Australia.

Keating quotes this as an example of the pragmatic approach a future Labour Government would take in the mining question but he also favours the recreation of some form of state petroleum-minerals authority, similar to Britain's BNC or Italy's ENT, with the ability to take an equity stake in minerals developments.

As for labour problems of Australian mines, Keating agrees they have been a factor in investor reticence. But the main reason why Australian minerals developments have been hanging fire for five years is the basic lack of demand caused by the worldwide economic slowdown, and Japan in particular. Japan and the world need Australian minerals and when demand rises they will have to print and pay a good price, which also includes an equitable share for Australia.

A.R.

AUSTRALIA VIII

Farmers feel the pinch

IT HAS been a poor year for Australian farmers. In February the Government's National Rural Outlook Conference presented a gloomy picture of sharply rising farm costs and declining commodity prices. The terms of trade for the rural sector—prices received to prices paid—were worsening at around 3 per cent a year while productivity was predicted to increase by only 2 per cent. This left a 1 per cent gap which farmers could not close. Therefore they could expect declining prosperity in the years ahead.

As the year advanced beef producers fell deeper into debt, the wool market retreated from the relatively high prices of late 1976. Japan became agitated about the price it had contracted for Australian sugar and the Prime Minister, Mr. Fraser, failed in his much-publicised attempt to open the EEC doors to our rural exports.

The only bright spots were a massive wheat sale to China and a growing meat and live sheep trade with the Middle East. At the end of July the Federal Bureau of Agricultural Economics issued its farm income predictions for the 1977-78 financial year with much the same message. The health of the rural sector was expected to worsen with real income per farm in fall by 14 per cent, to SA10,352 and the value of rural exports to drop by 8 per cent.

Traditional

The National Country Party, the traditional farmers' party, has tried to encourage them to blame the former Labor Government for the nation's high inflation rate. This is a logical stance for the NCP on the role of protector of the mineral companies whose mines are located in outback Australia of 10 per cent. Farmers are not arguing with the official forecasts and has increased, agriculture's generally accept that the Rural Adjustment Scheme must be continued and intensified to decline. Between 1966-67 and 1974-75 mineral exports increased in value from SA358m. What farmers do query to SA2,358m. with its share of 12 per cent.

On the other hand, farm exports have fallen from 85 per cent of all exports to 48 per cent. (44 per cent. in 1976-77). In the early 1950s agriculture provided around 80 per cent. of total export earnings.

The mining industry, is on the verge of another expansionary phase as Australia's substantial uranium deposits are extracted for an energy hungry world market. As uranium shipments leave Australia, rural exports will have even less impact on the balance of payments, making it less likely that Government will be influenced by severe dips in farm incomes to devalue the Australian dollar.

This is what farmers probably fear most—an inability to pressure the Government to devalue, the one sure measure they rely on for a respite from the cost-price squeeze.

The Executive Officer of the powerful Graziers' Association of New South Wales, Mr. John White, has urged the Government to restrain the growth of the uranium industry. He has opted for a 50-year development phase rather than five years, claiming that a rapid growth rate would induce a massive inflow of overseas investment funds which would be followed by enormous export receipts.

This, he argues, would cause adjustments in the rural sector on a scale so great that they could not be imagined right now. The old cliché that Aus-

tralia rides to prosperity on the sheep's back is no longer true. Despite a steady decline in the number of farms and farm workers the rural community finds this hard to accept. For generations it has lived with the belief that farmers are the backbone of the nation, the pioneers who opened up the vast interior under great hardship and whose sweat earned the foreign exchange necessary to finance industrial development and economic growth. But it has become increasingly obvious that the rural sector lacks the political muscle to force the Government to make major decisions, like devaluation, which affect the entire economy. Its own party, the NCP, now has richer and more powerful friends in the mining industry.

However, there are six farmers in the cabinet, including the Prime Minister, and this does guarantee producers a bearing in their push for price support measures, marketing reforms and in their insistence that the Government get tough with trade unions which disrupt processing or export shipments because of industrial or political issues.

The farmer's toughest public relations exercise is to attract a sympathetic reaction to his plight from the great bulk of Australians who live in the coastal cities. He has to battle against the common belief that farmers are a pack of whingers always bemoaning their "poverty." Much of this is a

hangover from the days of the Korean War wool boom when the media featured the conspicuous consumption patterns of wealthy graziers and apocryphal stories of rams being transported around the bush in the back seats of Rolls-Royces.

Surpluses But times have changed since the early post-war period when Australia's large commodity surpluses found ready markets overseas. Not only has farm production increased rapidly in the countries that once sought Australia's produce, but their powerful farm lobbies have been most effective in shutting out foreign imports.

The EEC has been the prime example, and its enlargement to include Britain has been extremely costly to Australian farmers. Despite a decline in the number of Australian farm operators there are large surpluses of many commodities hard to shift at remunerative prices. Currently the biggest problem facing Australian agriculture is the slump in the beef industry. Only a few years back beef was the boom sector of agriculture. High prices were taken as the norm with farmers building up herds from 22m. in 1972 to over 33m. by 1976. The traditional beef producers were joined by wool, grain and dairy farmers switching enterprises. When the crunch came, not only through

Tom Conn

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Sheep farms, like this one in Western Australia, often had to be developed from solid bush. This farm, and like it, supports up to three sheep an acre all year round.

Pilbara's vast iron reserves

WESTERN AUSTRALIA'S Pilbara region is mile after endless mile of sage green spinifex, gum trees, red earth, and iron. Tons of iron, mountains of iron, mountain ranges of iron like the Hamersley and Dampier. One such mountain is Mount Whaleback, whose thick blue-black seams of 65 per cent iron-rich haematite run through a total of 1,000 feet high containing around 1.4bn. tons of average 55 per cent iron, enough to supply the whole world's iron ore demand for 18 months. Mount Whaleback is mined by the Mount Newman company and is only one of a whole series of rich iron ore deposits in a vast area 450 kms. long by 150 kms. wide which contains at least 35bn. tons of high grade ores, and countless billions of lower grade ores recuperable if the price were right. The bigger mines further from the sea have expanded steadily and massive new projects—like Lang Hancock's Marandoo project involving shipment to Singapore, construction of a beneficiation plant there and onward sales throughout the Middle East, Japan and Europe, or the Goldsworthy "area" project west of Mount Newman—are at an advanced state of negotiation. But the timing and the economics of such projects depends partly on the future demand pattern for steel and partly on foreign and domestic investor confidence that regular cost levels kept under control. Both factors depend in a large extent on labour relations in the mines, and labour relations over the last few years have not been good. If men like Western Australia's Minister for Mines Andrew Menzies or Lang Hancock are to be believed the unrest is the fruit of a world-wide Communist conspiracy to under 100 per cent. Australian management but the presence of so many different shareholders on a consortium basis has, it is believed, made it difficult to agree. Union spokesmen themselves tend to cite the presence of Australia's largest company BHP in the consortium as their particular bete noir. They believe that BHP in particular is insisting on a tough anti-union line although this certainly underestimates the frustration also felt by the company's American, British and Japanese partners. Part of the problem is that there are nine different unions working on the Pilbara, and inter-union rivalry and demarcation disputes lie behind many of the smaller stoppages company spokesmen. A mine also quote the two-week strike of railmen on the 430 km rail line to Hedland following demand for alleged driving. An arbitration later reinstated the men. To put all this into perspective it has to be remembered that over \$A700m. has been invested at Mount Newman. The strength of the supply contracts, it is a sizeable amount of capital around unused. But it is typical of the money required to get out of bush areas and them to the coast. This kind is essentially moving and plant operation under harsh conditions. More were employed on installing air-conditioned drag line trucks, bulldozers, crushers, water spray so on than in actually mining the ore. Furthermore, to take Newman as an example 40 per cent of the total bulk of the \$A700m. spent on building towns, the 430 kilometre way and the port to accommodate two bulk carriers at Port Mout Newman is now to produce 40m. ton annually. When that is achieved, public highly profitable and competitive and a very active investment. There are long lines of Boardrooms around

Handwritten signature: J. J. ...

AUSTRALIA IX

Aboriginal movement steps up the pressure

YEARS after Australians voted in a referendum to give the Federal Government power to make decisions on questions of Aboriginal affairs, a national organisation has stepped up its pressure on the Government to improve the lives of the 250,000 aborigines.

The Aboriginal Advancement Council (AAC) has been set up to coordinate the efforts of various groups and individuals who are concerned with the welfare of the aborigines.

The AAC's first major action was to call for a referendum on the rights of the aborigines. This was followed by a series of protests and demonstrations.

The AAC also has a number of projects in progress, including the establishment of a national Aboriginal Centre.

The AAC is also working to improve the education and health services for the aborigines.

Aboriginals crowded into unhygienic, unheated, unsewered and illegally over-priced slums in the heart of the city.

Most of the aborigines in the city were employed in the service industries. The unemployment rate for the aborigines was 50 per cent, compared with 5 per cent for the White population.

Over the past year health workers, educators, social workers, and police have said housing is central to any attempt to improve the lot of the aborigines. Five per cent live in "improvised housing" that is, tin huts or old car bodies and 8 per cent of aboriginal houses have neither gas nor electricity compared with 0.2 per cent of white houses.

The picture is so appalling that the Government has announced a full scale review of aboriginal administration and spending, and it is to the credit of the Aboriginal Affairs Minister, Mr. Ian Viner, that the result was a restoration of \$A25m. to the Black budget.

role in steering the first Aboriginal Land Rights Bill through Parliament. The struggle for rights to land which they traditionally owned has been the main area of political activity for Blacks over the last ten years. White Australians find it hard to understand the feeling Aborigines have for their land and many are sceptical about claims to more than 25 per cent of the Northern Territory land mass.

Opponents of the land rights movement, including Queensland Premier, Mr. Joe Bjelke-Petersen, claim it is a new form of apartheid, conveniently overlooking the fact it is Aborigines who have pressed for legislation.

Mr. Bjelke-Petersen's State Government is doing everything possible to frustrate the Federal legislation including blocking the transfer of leases for properties bought with Federal funds. Mr. Viner has not dodged any clashes with Mr. Bjelke-Petersen and his forthright criticism of the Queensland line has won friends. But on the much more topical question of uranium mining and how it would affect Aborigines, Mr. Viner is living on borrowed time.

Mr. Justice Fox in his final report on proposed uranium mining in Northern Australia said many Blacks would gladly forfeit the promise of royalties in exchange for a simple decision not to mine. Their fear, based on experience elsewhere, is that mining will disrupt their lifestyle and bring the worst of the European diseases—alcoholism, venereal disease and social breakdown.

Objectives

formed 20 years ago by a group of concerned Whites and Blacks, AACATSI's original aim was to improve the lives of the aborigines. Dr. Renshaw, described the AACATSI as a "democratic organisation of the aborigines" and "a body which would permit the aborigines to have a say in their own affairs."

good many concerned and conservative Blacks that calling for foreign investment may harden domestic attitude to aboriginal advancement just as it seems some progress might be made. Yet there is no shortage of radical Blacks who draw world attention to the treatment of aborigines.

all statistics on the living standards of aborigines abound. At the moment that the Prime Minister, Mr. Fraser, was attacking the New Zealand Prime Minister, Mr. Muldoon, for his contempt of Maoris, the conservative Royal Australian Society of Ophthalmologists released a report on its work programme among aborigines.

report shocked even the most ardent observers. According to a task force of eye surgeons, aboriginals had the curable blindness rate through the world. Every Black in the world had at least one relative. One in four over 60 was blind and had poor vision. One in five needed some sort of operation and one in two Blacks needed some

Struggle

Jan Viner, 44, a Perth lawyer, is the best political hope Aborigines have had under any Liberal government. In two years his enthusiasm for his portfolio, his apparent sincerity in dealing with Blacks and his ability to sway the cabinet have made him extremely popular with Blacks.

He has made no attempt to disguise the seriousness of the aboriginal situation and makes a habit of confronting Black meetings with details of aboriginal infant mortality rates and poor housing and employment rates.

Mr. Viner played a major

David Broadbent

and tell the people where it stands on the question of foreign investment in energy minerals. But the Government has remained silent and it now looks as though CRA and the oil companies will not have their proposals rejected.

Administration of the Government's foreign investment policy is looked after by the Foreign Investment Review Board which is serviced by the Treasury's Foreign Investment Division.

It was formed in April 1976 and received 1,208 valid proposals in the period to end June 1977, of which 1,145 were approved and only seven rejected.

Despite the Government's efforts, however, capital inflow statistics show that there has been little increase in the amount of medium to long-term capital coming in since the change of government. The bulk of the \$A1,397bn. of funds which are net apparent capital inflow in 1976-77 was accounted for by short term funds which represented the unwinding of leads and lags and the return of speculative funds after the November 1976 devaluation.

Record

The strike record is another inhibiting factor. Although the Government has managed to contain wage demands, the unions are expected to seek larger increases to compensate for this when the economy does turn up.

The Government itself has also acted in ways that have made potential investors wary. It decided to stop mineral sand mining on Fraser Island, for example, because of an environmental inquiry recommendation. The company concerned, D. M. Minerals, is claiming \$A24m. in compensation but has been offered what it considers a merely taken amount. One of the partners was the American company, Dillingham, and the matter was raised with the Prime Minister by senior businessmen at a private dinner

John Short

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THE AUSTRALIAN banking system has been operating under a tight monetary rein for the past 12 months. The clamps, including curbs on lending and freezing of bank funds, were imposed because of Government concern at the high inflation rate, and the fear that too great a rate of monetary expansion could flow over into a rapid rise in prices. At the same time the Government wished to reduce the impact of the budget deficit on monetary creation by selling as many government securities as possible to the non-bank private sector. The attempt was largely successful with a non-bank take-up of around \$A1.1bn. or about 40 per cent. of the deficit.

The devaluation of the Australian dollar by 17.5 per cent. in November, 1976 brought a further tightening of the monetary screw to ensure that financial conditions did not become too easy.

Interest rates were increased and further restrictions were placed on lending. Significantly, for the first time the controls were extended to cover financial intermediaries other than the banks.

The trading banks have for years operated under the umbrella of the Reserve Bank—Australia's central bank. The Reserve has the power to control the banks' rate of lending, policies liquidity ratios under a "voluntary" and long standing agreement and influences interest rates. But, until recently the Bank had no power to control the other financial intermediaries, such as the finance companies, building societies, merchant banks and money market companies. Not surprisingly there has been a rapid growth in the "unofficial" segments, particularly among the finance companies. The banks themselves have sought to break out the controls over them by expanding into areas where the controls do not apply. In 1975 the Reserve was given its missing "teeth" with the Financial Corporations Act which gave it the same sort of powers over the non-bank intermediaries as it already had over the banks.

Until last November the Reserve had collected itself to use its new powers to collect detailed data and statistics from the market—information which it had not previously possessed.

During 1976-77 the major trading banks approved more than \$A5.4bn. in new or additional loans. Reflecting the curbs, however, their liquidity at the start of 1977-78 was lower than a year earlier. In June the banks' ratio of liquid assets to deposits was 21.5 per cent. compared with 23.9 per cent. in June 1976. The banks are required under a convention with the Central Bank to maintain a minimum LCS ratio—currently 18 per cent.—so that their margin of "free" liquidity at the start of the current financial year was only 3.5 per cent.

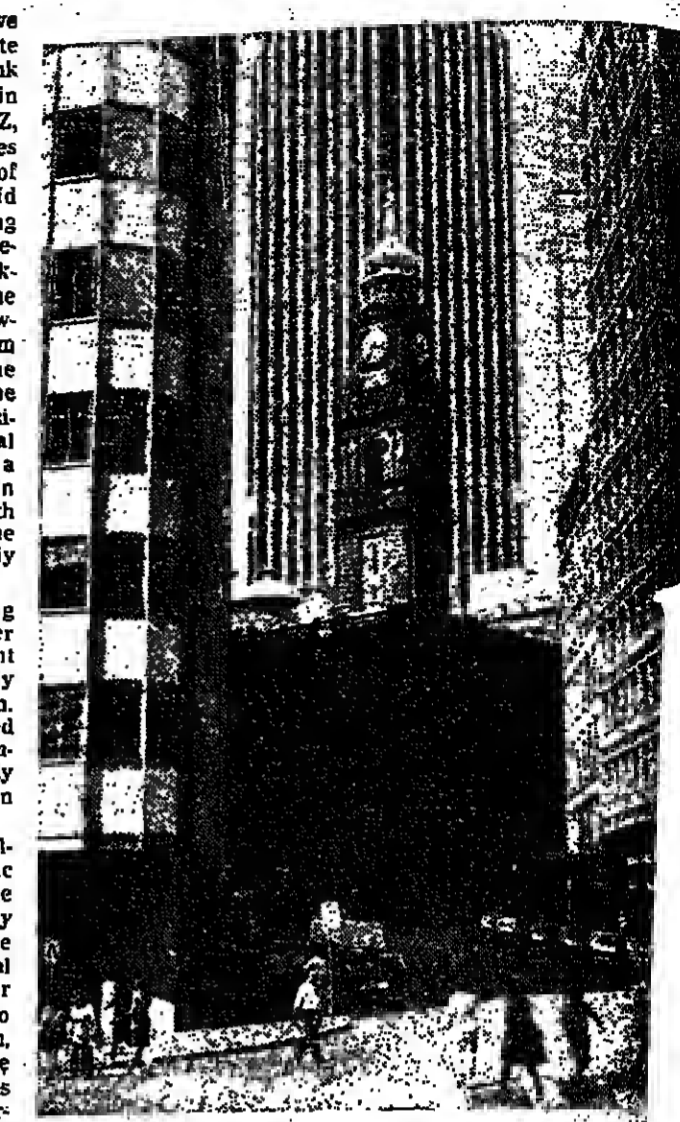
The banks are hopeful that a lower budget deficit target for 1977-78 of about \$A2.2bn. together with a good start to its borrowing programme—the July loan raised \$A610m. of which \$A375m. came from the bank sector—should make the Government's policy of containing monetary growth easier to achieve than last year.

The banks hope that the restraints, if not removed, will be at least eased, and that official interest rates are moved down from their current high level.


Most of the trading banks have reported higher profits to date in 1976-77. The National Bank lifted earnings 45 per cent. in the first half while the ANZ, the Bank of New South Wales and the Commercial Bank of Australia also reported solid gains. The Commercial Banking Company of Sydney lagged behind with its profits from banking almost static in 1976-77. The CBC's overall group result however, came back sharply from \$A10.8m. to only \$A619,000. The cause of the setback was the bank's finance company subsidiary, Commercial and General Acceptance, which turned in a loss of \$A2.4m. for 1976-77. In turn, CAGA's problems lay with its heavy involvement with the property boom in the early 1970s.

CAGA had been carrying long term property loans ever since the property market went off the boil, but this year finally faced up to the situation. CAGA's action was duplicated by other major finance companies which had been similarly badly debted by their flirtation with property.

Reluctance to bite on the bullet cushioned the most drastic effects of the property bust. The finance companies heavily involved preferred to place problem loans on a non-accrual basis and forego interest rather than push their borrowers into receivership or liquidation, which would have swollen the amount of forced property sales onto an already swollen market. The financiers stood to lose a lot if they faced up to the property losses as this could have created difficulties in some cases with trust deeds under which they borrow funds from the public.




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Moderating

Last November the financial intermediaries were called to the Reserve to seek their "co-operation" in moderating the rate of lending. The Reserve told the savings banks and building societies that a general upsurge in lending for housing would be inappropriate and informed the finance companies and money market groups that the pace of growth of their lending was neither sustainable nor consistent with the sound development of the economy. The representatives who attended the sessions with the Reserve were left in little doubt that they ran the risk of official controls if they chose to ignore the Central Bank's wishes.

While the other financial intermediaries had to share in the monetary tightening for the first time, the trading banks still feel that they were forced to bear a disproportionate share of the measures. Between November and February 1977 the percentage of bank deposits "frozen" in special statutory reserve deposits (SRDs) was increased from 5 per cent. to 10 per cent. The SRD ratio was eased slightly during the seasonal liquidity rundown from

Investing

The investing public provide the bulk of the financiers' funds for lending. The financiers feared that making heavy provisions for property losses would undermine public confidence and make it hard to continue to borrow from the public. They took the easier course and gambled that the property market would recover before they were forced to face "losses." The financiers involved generally had to look to their "big brothers" for support. The U.S. giant Citicorp for example pumped \$A150m. into its Australian affiliate LAC (Holdings) in a dramatic

Rescue operation

late in 1974 to prevent LAC's collapse. Citicorp has now bought out the public shareholding in LAC. Earlier this year, CAGA finally faced up to the situation and made write-offs and provisions against property totaling \$A23m. At the same time it accelerated its programme of property sales, hoping to clear \$A36m. by the end of 1978. Soon after Associated Securities made property write-offs of \$A12m. and also accelerated its sales programme.

It was followed by the collapse of the Parkes Development Group, which had been in difficulties since 1974 but was generally considered to have weathered the worst. This prompted IAC to revise its situation and announce that a loss of \$A30m. was expected for the June half, which led Citicorp to make a bid for ownership of the company.

The property market in a malaise. The depressed area is the commercial sector, where observers believe a supply will remain for five years, and perhaps years longer. Other areas as industrial, rural, and resort are also far buoyant. The private real estate market is in the best health, but even this is patchy. In New South Wales, for example, where activity is more depressed in other states, the industry is faring poorly. Mentioned earlier, the ment is now seeking this sector through a of the monetary brake

James

Despite the monetary curbs

shire. They migrated again to Australia before World War II and he attended Sydney University, graduating with a degree in mechanical and electrical engineering in 1943. While working as a planning engineer with Standard Telephone and Cables, he started what was to become Hanimex as a spare-time interest.

Hanimex has benefited because it is in a leisure industry where consumer spending has remained strong. Hanimex has also ensured that his organisation retains a flexibility between import and local assembly. It holds a number of major agencies, including Fuji, and several British lines.

Apart from Africa, Hanimex equipment is distributed throughout the world. The company has been quick to diversify into new areas when opportunities have arisen. It has a stake in the pocket calculator market in Australia and was one of the first groups to cash in on the bicycle boom of the past few years. It is now one of Australia's largest bicycle makers.

The group is very much a reflection of the pragmatic, entrepreneurial personality of its founder. Hanimex is a hard-headed businessman who keeps an iron grip on the fundamentals of his operation. He is prepared to try anything in areas he understands and to cut activities ruthlessly if they show danger signs.

A few years ago he even went through his own version of the Grunwick dispute at Hanimex's main photo finishing laboratory in Sydney. This had been a non-union shop until Hanimex agreed with the Miscellaneous Workers' Union that all employees at the laboratory should be unionised.

"I thought it would be better to work with the union," Hanimex says. "But as soon as we were unionised the night shift went on strike." Hanimex told the day shift workers that if they did not go on strike, too, but if they did, he would close the plant. The strike was broken and the plant has never worked a regular night shift since. Several of the workers who stayed have since left the union.

John Waller Utz, managing director of Wormald, is a more urbane executive, although his company's track record is equally impressive. At 48, Utz is extremely tough-minded and nephew of Mr. Stanley Utz, a leading Sydney businessman, stockbroker and former federal treasurer of the Liberal Party. John Utz did a short stint in the Royal Australian Navy at the age of 18, then travelled before settling down as a fire extinguisher salesman for Wormald.

Two years after joining the company he was appointed manager of the Newcastle daily work standard branch, which boomed, and in 1959 he returned to headquarters in Sydney as sales manager, rising to general manager of Wormald's parent company in 1964 and to the Board in 1965. Since then Wormald has shown a progres-

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Multinationals fight the recession

SUCCESS STORIES are rare amid the widespread gloom which infected Australian business attitudes during the mid-1970s, but Hanimex Corporation, and Wormald International are exceptions.

Both are middleweight companies specialising in areas which have prospered despite the recession, and are run by men of outstanding business ability. Both have overcome the constraints of the small Australian domestic market by expanding internationally and they are now two of Australia's fastest growing companies overseas.

There the similarities end. Hanimex is a photographic equipment group run by a German immigrant, while Wormald is a fire and security company whose driving force is a son of the New South Wales business and political establishment.

Hanimex is the personal creation of Jack Hanimex, who was born in Germany in 1923. His parents migrated to England when he was 11, and he received his early education at Buxton College in Derby-

shire. They migrated again to Australia before World War II and he attended Sydney University, graduating with a degree in mechanical and electrical engineering in 1943. While working as a planning engineer with Standard Telephone and Cables, he started what was to become Hanimex as a spare-time interest.

Hanimex has benefited because it is in a leisure industry where consumer spending has remained strong. Hanimex has also ensured that his organisation retains a flexibility between import and local assembly. It holds a number of major agencies, including Fuji, and several British lines.

Apart from Africa, Hanimex equipment is distributed throughout the world. The company has been quick to diversify into new areas when opportunities have arisen. It has a stake in the pocket calculator market in Australia and was one of the first groups to cash in on the bicycle boom of the past few years. It is now one of Australia's largest bicycle makers.

Canada, Japan, Hong Kong, France, Belgium, Switzerland, Ireland and West Germany. The company has also set up separate factories in Ireland, the U.S. and Hong Kong. This is a remarkable achievement at a time when much of Australian industry is languishing and esling for higher protection against imports.

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Ambitious

The most ambitious made last year when he made a successful bid over bid for the Buxton and Platt group. Wormald is now the largest fire protection in the world. The Platt acquisition of sales, which are expected to be around \$A250m. in financial year. Utz is a very tough-minded and nephew of Mr. Stanley Utz, a leading Sydney businessman, stockbroker and former federal treasurer of the Liberal Party. John Utz did a short stint in the Royal Australian Navy at the age of 18, then travelled before settling down as a fire extinguisher salesman for Wormald.

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Sagging confidence among overseas investors

THE CONFIDENCE of overseas investors in Australia has been 1976, they have been major factors in the decline of the Australian dollar in the past few years. The key industries in the past few years have been the steel, aluminium and other metals industries. The Australian dollar has been a standing target of overseas investors, who have been particularly critical of the government's economic policy. The dollar's value has fallen to a level which is now being seen as a major factor in the decline of the Australian dollar.

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Disrupt

The President of the Australian Council of Trade Unions, Mr. Bob Hawke, was convinced by Japanese leaders as long ago as last January that they had real fears that strikes could disrupt the continuity of iron supplies to Japan. Hawke returned from Japan in a warning to Japanese union leaders that the Japanese were considering diversifying their sources of supply. Despite his warning, the Mount Newman strike started three months later. This has made the Japanese wary of Australia as a source of supply, despite the fact that Australia is rich in nearly all of the resources that Japan needs.

The most recent manifestation of this wariness can be seen in a string of recent coal deals. Australian mining industry has been relying on Japanese capital to start two huge new coal projects at Nebo and Hill Creek in Queensland,

both of which would run to hundreds of millions of dollars. Instead, the Japanese have opted to be customers and in some cases investors in a number of smaller projects, thus spreading their sources of supply within Australia while avoiding any single large commitment. They may return to large commitments eventually, but the episode is a reflection of the caution with which Japan treats investment in Australia these days. This caution is by no means solely attributable to Australia's unions. The Federal Government must also take a share of the blame.

The Fraser Government has managed to reduce the inflation rate from 13 per cent to a little under 10 per cent, but there appears little prospect for any further significant reduction. Australia's relatively high inflation rate might not have weighed so heavily on foreign investors if they were not also unsettled by the uncertainties surrounding the Australian dollar. The dollar was devalued by 18 per cent last November, then revalued by 6 per cent in a series of adjustments. At one stage, the dollar was being revalued by half a point every

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Coal loader filling a shuttle car at Awaba Colliery in northern New South Wales. Coal is a major Australian export.

Fierce competition in broking

THE expansion of the broking industry in Australia has been a major factor in the decline of the Australian dollar in the past few years. The key industries in the past few years have been the steel, aluminium and other metals industries. The Australian dollar has been a standing target of overseas investors, who have been particularly critical of the government's economic policy. The dollar's value has fallen to a level which is now being seen as a major factor in the decline of the Australian dollar.

Consistently successful at picking up good London business has been McCaughan Dyson. In this atmosphere of competition, some firms appear to be going to the wall. This is particularly so in Sydney, which has a population of some 4.5 million. (depending on how you count agencies and "care of" addresses) in a market which shows no signs of improving. In 1976, the Sydney firm of Charles Neggin closed its doors after revealing that it had only been breaking even for months. In a memorable statement, the senior partner said he would be just as well off lying on a beach.

Challengers

The challengers are McIntosh, Griffith, Hanson, McCaughan Dyson, Randall and Co. and another. For example, Partnerships of Melbourne is growing at such a pace that some of them may have already overtaken the traditional big three in volume. This is speculation, because individual firm's volume figures are not revealed, but Goodie's and Wern's have been suffering at the hands of the newcomers.

Efficient

"It is certainly enabling much more efficient handling of orders," he said. However, the old rivalries still appear to be alive in the management of the two exchanges. This is best typified by their approach to computerisation. Each exchange has its own computer, although the rationale of joint operation would point towards a single computer system for the two. At present, the Sydney Stock Exchange is planning replacement of its old computer, which means that an opportunity to combine the two systems is being discarded. It will be an expensive piece of duplication, proving that it will be a long while yet before the Sydney-Melbourne jealousy is finally eradicated.

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The who and how much

The list here isn't complete by a long shot — in fact 208 major projects have been announced in the past 18 months. But it does indicate the range of leading companies of all kinds which have said they'll be putting their money where their teeth are — in the State of New South Wales.

Over \$50 million

Australian Iron & Steel Pty Ltd, Port Kembla \$97 m. Blue Circle Southern Cement Ltd, Beramba and Maiden \$72 m. BHP, Newcastle \$40 m. BHP, Murrumbidgee Division \$30 m. Ford Motor Company of Aust., Ingleburn \$82 m. ICI Australia Limited, Bôlshy \$50 m. R. W. Miller's Mount Thornley coal project \$55 m. Woodlawn Mines, near Goulburn \$75 m. Werriworth Coal Project, Hunter Valley \$75 m.

Between \$50 - \$10 million

Alcan Australia Limited, Kurri Kurri \$45 m. Collex Oil (Aust.) Pty Ltd, Kurrall (part of \$200 m. 10 year programme) \$28 m. CSR Limited, Sydney, Newcastle and Hunter Valley \$26 m. Jamba Haide & Co. Pty Ltd, Berri \$10 m. Pinali Cables Australia Ltd, Minto \$15 m. Shell Co. of Australia Ltd, Clyde refinery \$25 m. Unilever Aust. Pty Ltd, Minto \$15 m.

Between \$10 - \$1 million

Albright & Wilson (Aust.) Ltd, Wetherill Park \$7 m. William Collins Publishing Group, Moore Vale \$4 m. Oulux Aust. Ltd, Caba \$15 m. Johnson & Johnson Pty Ltd, Campbelltown \$4 m. Uncle Ben's of Australia Pty Ltd, Bathurst \$7 m.

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Mr. J. Campbell Johnston, senior partner of J. B. Wern and the chairman of the Joint Exchange Committee, said the introduction of dual access had been so smooth that it was now being called "the non-event of the year."

There would be a few others in what might be called the beachcomber category too, but in many cases brokers have met the challenge by diversifying. One example of this is the Sydney firm of R. F. Arthur, which could be put in the small to medium category. Stockbroking now accounts for only about half Arthur's business. The rest includes mortgage financing, property, wool futures and one of the largest money market operations in Australia.

Other brokers have diversified in similar ways. The Sydney firm of Jackson Gatham & Co. is now a member of the Sydney Wool Futures Exchange, Bain & Co. (which would now be the biggest firm in Sydney) is in insurance and the Melbourne firm Brian Randall and Co. is in mortgage broking.

At a personal level, Mr. David Constable, one of Sydney's best-known brokers and a senior partner of Constable and Bain when it was one of the largest firms in that city, is now a consultant with Peter Hains and

T.S.

AUSTRALIA XII

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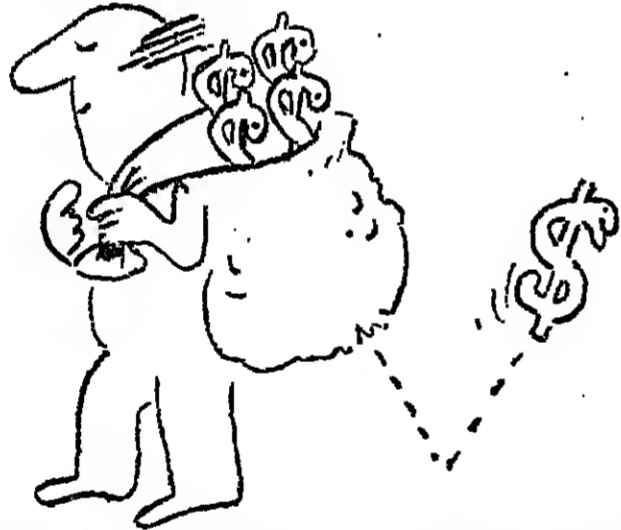


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Immigrants make their mark

WHEN Malcolm Fraser's Government recently closed down a radio station used for "access" broadcasts by Melbourne's large immigrant community, crowds took to the streets in protest.

The station, set up by the Whitlam Labour government, had broadcast in more than 30 languages through the Australian Broadcasting Commission. The outcry came as something of a shock to the government at a time when it was embarking on a full-scale review of immigration policy in the light of the current economic recession. Obviously it had underestimated the extent to which Australia's immigrant communities have become politicised over recent years, and the demand for increased services they are now making. Indeed, few areas of Australian policy have undergone such radical changes during the 1970s as immigration.

After the brakes were applied drastically to the intake by the Whitlam Government, Mr. Fraser's Government is now seeking to release them again, albeit slowly. Both Fraser and his Immigration Minister, Michael MacKellar, are committed to the view that Australia should step up the intake again—largely for the same reasons as the Liberals' massive recruiting drive during the boom years of the 1950s and 1960s.

Mr. Fraser recently told a meeting of Young Liberals that one of the reasons for Australia's economic recession was the winding down of the immigration programme under Gough Whitlam, and that a strong programme was important to boost business expansion.

There is certainly no move to re-open the flood-gates; anything that threatened the jobs of Australian workers would be politically disastrous. Nearly two-thirds of Australia's 335,000 unemployed (5.4 per cent. of the workforce) are aged between 16 and 24, and within this category the worst affected groups are immigrants.

Nearly 16 per cent. of foreign-born males and 23 per cent. of females in this age group are unemployed (compared with 15.1 per cent. Australian-born males and 18 per cent. of females).

Scale

Since large scale immigration began at the end of World War II, 3.5m. immigrants have come to Australia, more than 40 per cent. of them from Britain.

The Whitlam Government's clampdown meant a dramatic fall in immigrant arrivals during the 1970s—from 170,000 in 1970-71 to 52,500 in 1975-76, a post-war record low.

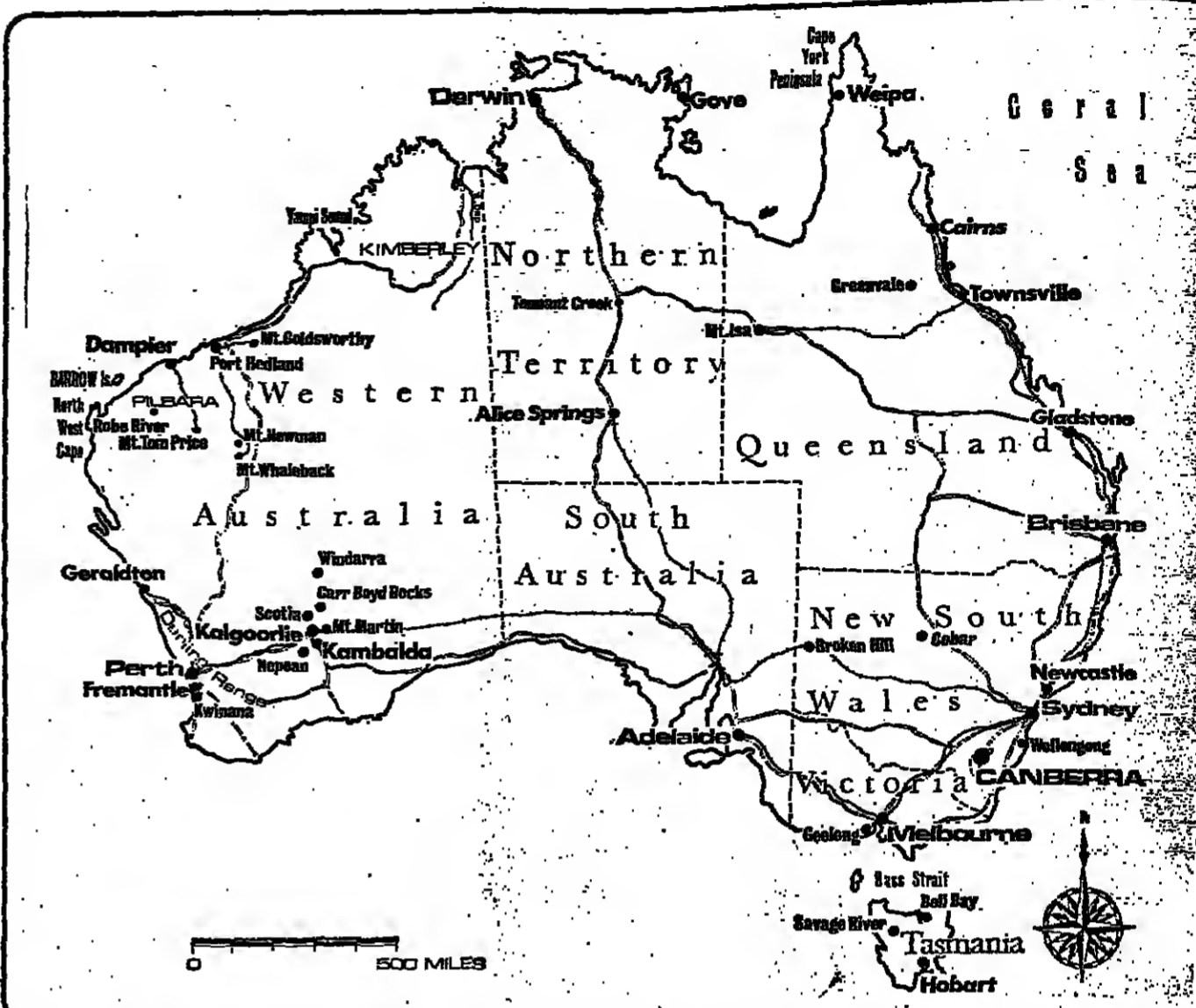
Strict criteria for entry were applied in 1974, partly because of growing unemployment and partly because the virtually unchecked inflow of unskilled workers from Southern Europe had given rise to a disaffected strata of "factory fodder," many of whom could not speak English after years in the country.

The three rules introduced by the Whitlam Government were family reunion, refugees based on humanitarian considerations, and the possession of job skills for which Australia had vacancies. This policy has been continued by the Liberals.

Whitlam also removed the ugly White Australia tag, introducing a policy of non-discrimination on the grounds of race, colour or nationality in the selection of migrants—as long as they could fulfil one of the above criteria. Unfortunately the tag has stuck in Asia, but in practice it has meant the arrival of 7,000 to 8,000 Asians a year, a steady 14 per cent. of total intake since 1973.

The Immigration Department's current occupations list includes about 120 professional and skilled jobs, for which Australia needs people (and only two in the unskilled categories).

Intending immigrants will not be considered unless they have



the skills on the list (the only exceptions being those applying under the family reunion scheme, and refugees, where occupational tests are not applied). But even on the approved list, the requirements are often daunting: computer engineers, for instance, must have had at least five years' experience, while academics, research scientists and teachers must have firm job offers first. Doctors, by contrast, are in short supply in some parts of the country. Pharmacists and veterinarians are not on the current list.

With unemployment at record levels and public spending cuts biting hard, signs of social resentment are already beginning to surface. Many viewers of a recent ABC television programme on immigration were shocked at the tone of anti-immigrant remarks by some Australian-born participants, especially over the pressure on the job market.

The recent remarks by the deputy Country Party leader in the coalition government, Ian Sinclair, about deporting trouble-making British migrants have been decried by migrant groups as gratuitously stirring up tension (and dismissed by others, the Australian Financial Review as "the most unadorned piece of Country Party primitivism imaginable.")

In framing its policy review, the government's thinking is based on a Green Paper produced recently by the Australian Population and Immigration Council, the first document of its kind in Australia. The public debate on the paper will result in a final Policy Paper early next year.

The green paper took a surprisingly optimistic view of Australia's future labour needs and suggested that in the short term the country should opt for a yearly migrant intake of about 100,000 (30,000 more than this year's target of 70,000, which seems unlikely to be met). Given recent departure trends, this would give a net migration gain of 50,000 a year.

The paper showed how unrealistic earlier predictions are of a population of 20m. for Australia by the year 2001. The national fertility rate has fallen dramatically over the past 10 years, and is now close to zero population growth.

For the population to reach 20m. by the end of the century would need a gross migrant intake of 200,000 every year from now on, a course the green paper says would be unacceptable in the immediate future. But it should not be ruled out, it suggests, later on because of the expected labour shortages of the 1980s and 1990s.

The Government is now faced with a whole new set of conditions. How much weight should be given to humanitarian considerations—family reunion and further refugee intakes, especially from Indo-China—over labour needs? How many more non-European immigrants can be absorbed without the threat of major social tension—something of which Australia has so far been remarkably free?

The Jackson report on manufacturing 18 months ago pinpointed the concentration on factory fodder-type labour, and the multi-cultural industrial problems it produced, as a major reason for the malaise of Australia's manufacturing industries.

The traditional migrant sources themselves are drying up: as Australia's relative prosperity declines, the incentives to uproot from family life for something better 12,000 miles away are much less. Western Europe's guest worker programme has also diverted many potential migrants, especially from Greece and Turkey.

The migrant communities have contributed immeasurably to the cultural diversity (and culinary richness) of Australian urban living over the past 30 years. Now they are becoming more politically organised and demanding after the attention paid to them during the Whitlam years, with expanded welfare and interpreter services and the introduction of ethnic radio.

The green paper has produced a chorus of criticism over its failure to come to terms with the very real social problems of

migrants that are too often hidden away. Indeed, the Australian Population and Immigration Council's own study last year on a decade of migrant settlement revealed that 23 per cent. of migrant family heads were working in Australia in jobs at lower levels of skill than they held in their home countries.

Dissatisfied

More than 40 per cent. of full-time migrant workers were dissatisfied with their employment. In both cases, language barriers were to blame.

Dr. Conn Constantinou, vice-president of the Australian-Greek Welfare Society, recently told a Victorian state government inquiry that about 30 per cent. of Melbourne's immigrants were doomed to permanent poverty because of the lack of English language courses in factories (Melbourne has the third biggest Greek speaking community outside Athens and Thessalonika).

The Fraser Government wants to avoid what it sees as political divisions developing among the immigrant groups, especially those from Eastern Europe and

the Baltic States. This is the real reason behind the closing of the Melbourne radio station in spite of the official contention that it was a cost to exercise. The pruning of migrant welfare services brought angry reactions, already a political issue against the Liberals is among migrants.

Meanwhile, the government policy planners are looking to the most likely sources of new migrants: they see coming from South and East Asia and South America. While 65 per cent. of British migrants are currently rejected on occupational grounds, the government is anxious to reverse the decision of the Whitlam years. Australia does not want people. Britain is Australia's top source of workers, and this year is to supply 40 per cent. of nationals and 48 per cent. of workers migrating to the country. As other sources decline, the influx coming from Britain may increase.

Robert Mill



Among the attractions greeting immigrants arriving in Australia is the indigenous wildlife, like this koala bear.

COMPANY NEWS + COMMENT

IMI up £7.8m. to reach £18m. so far

FIRST-HALF 1977 external sales of Imperial Metal Industries expanded from £186.5m to £236.5m...

HIGHLIGHTS

The Lex column to-day concentrates on the sharp increase in profits from IMI and Redfearn's forecast of a dividend increase amounting to two-and-a-half times in its defence against Rheem's bid...

Table with 3 columns: First half 1977, First half 1976, 1975. Rows include External sales, Profit, Share of associated, etc.

The figures exclude extraordinary items and profit before tax on metal stocks amounted to £9.2m in the first half of 1977...

Profit before tax for the year 1977 included £12m (of which £0.4m was applicable to minority holders) representing the change...

Profits from building products held up reasonably well during the continuing recession in the U.K. building industry...

Excelsior and Marston Radiator Services

Activity within the fluid power companies continued to show a strong upward trend and profits were significantly better than in 1976...

Volume growth in the refinery was based primarily on increased input of virgin copper...

See Lex

On turnover of £9.36m against £17m, profits of Erskine House Investments jumped from £47,255 to £179,796...

Esperanza Trade turns in £5.32m.

AFTER RISING from £1.06m to £2.75m in the first half, pre-tax profits of Esperanza Trade and Transport finished the year at £5.32m...

Due to the operation of accelerated capital allowances and stock relief no corporation tax is payable on full year profits...

Linford, ex-Gateway has increased profits for the year by 46 per cent, helped on its way by Phase 2 of the incomes policy...

services are inter-related and the commitment to copper is now of marginal importance...

Linford leaps to £5.81m.

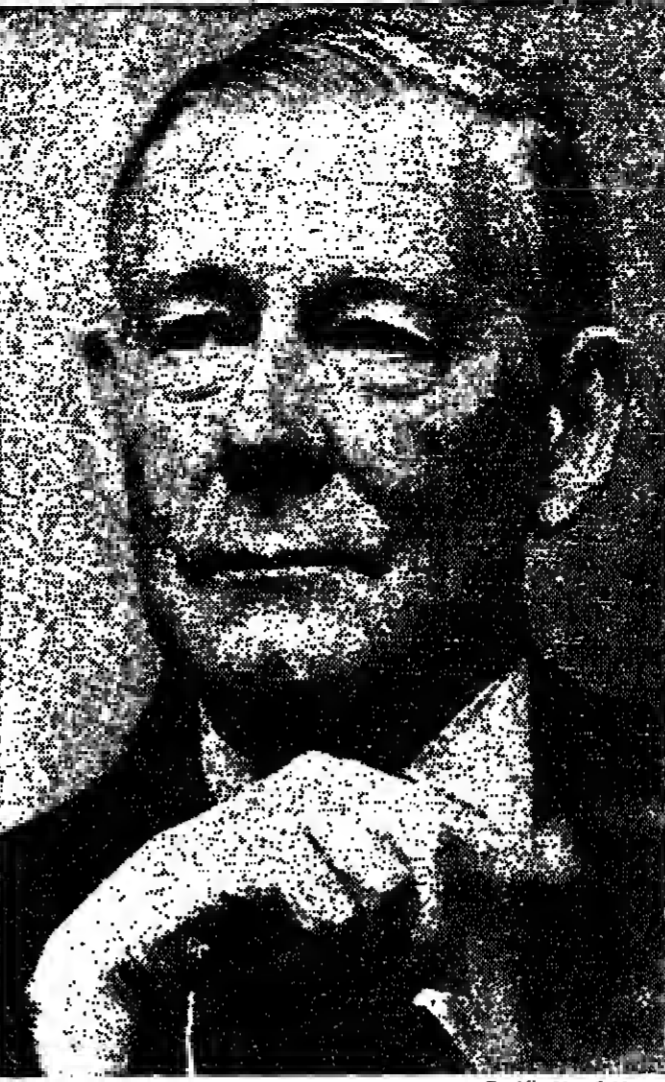
Including results of Gateway Securities for the first time, pre-tax profits of Linford Holdings leapt from £3.01m for 32 weeks to £5.81m...

The directors state that current trading results continue to give them confidence for the future...

Due to the operation of accelerated capital allowances and stock relief no corporation tax is payable on full year profits...

comment

Linford, ex-Gateway has increased profits for the year by 46 per cent, helped on its way by Phase 2 of the incomes policy...



Sir Michael Clapham, chairman of Imperial Metal Industries.

DIVIDENDS ANNOUNCED

Table listing dividends for various companies: Cement-Roadstone, Erskine House, Esperanza Trade, etc.

Stoddard turns in £1.18m.

PRE-TAX PROFITS for the year to May 31 1977 of carpet manufacturer Stoddard Holdings were ahead from £52,000 to £118,000...

On August 18, 1977, a receiver was appointed to a major customer of the holding company...

comment

The 24 per cent increase in profits from Stoddard explains why the shares at 29p are standing virtuously at their 1977 high...

GENERAL ENGINEERING

Mr. Ronald Ogden, retiring chairman of the General Engineering Co. Ltd. stated at the annual meeting that the greater part of the group turnover has to be secured abroad...

Telefusion's £2m. recovery

EXCLUDING VAT, turnover for the year to April 30, 1977 of Telefusion advanced from £44.04m to £62.01m...

The number of branches both retail and retail has remained fairly constant during the year. The addition of £2m to fixed assets, mainly colour TV rental sets...

Slough Estates to top last year's £6.08m.

REPORTING pre-tax profits marginally ahead from £5.05m to £6.08m, the directors of Slough Estates say they are confident that the completed Sheffield and Br...

After tax up from £1.4m to £1.45m, first half started earnings increased from 1.7p to 1.8p per share...

comment

The directors state that despite the fact that the completed Sheffield and Br...

Polymark poised for more growth

Mr. P. Meyer, chairman of Polymark, said at his annual statement that the company is poised for the planned stage of slow growth...

As already known, profits for 1976 rose from £174,041 to £240,041...

comment

After warning in the last accounts that profits this year could be lower, Slough Estates is now predicting an improvement on last year's £2m...

King & Shax advertisement with contact details.



ammonia, nitric acid, ammonium nitrate, calcium ammonium nitrate, magnesium ammonium nitrate, calcium nitrate, urea, sulphuric acid compound fertilizers, phosphoric acid, ammonium phosphate, superphosphate, triple superphosphate, phenol, melamine, cyclohexanone caprolactam, acrylonitrile, sodium cyanide, ethylene, propylene pyrolysis gasoline, C4-fraction, benzene, cyclohexane, butadiene high-density polyethylene, low-density polyethylene, EPDM-rubber TP-rubber, AS-plastics, ABS, vinyl chloride, polyvinylchloride polypropylene, methanol, formaldehyde, benzoic acid, benzaldehyde di-phenyl glycol, acetyl caprolactam, benzyl alcohol hydroxyamine sulphate, acetaldoxime, urea formaldehyde resins resins for printing ink production, carbon dioxide, argon helium, plastic products, packaging film, inner-wall bricks outer-wall bricks, cementware, stoneware, floor tiles, wall tiles concrete building elements, plaster board, ready-made clothing



To find out how much more we do, write to the Information Department, DSM PO Box 65, Heerlen, The Netherlands.

Beecham Financiering B.V. advertisement for £30,000,000 6 1/2% Convertible Guaranteed Bonds 1992.

Handwritten signature or note at the bottom of the page.

Weir tops £4½m. so far and still improving

part of the company's adverse balance on profit and loss account which at March 31, 1977, stood at £2.7m. The scheme involves the cancellation of the share premium account and writing down to 6p of the existing 10p shares. That will involve a total reduction of £2.8m, almost extinguishing the adverse balance of the profit and loss account.

Proposals are put forward in order that the company's capital may be brought more into line with assets employed, that dividends when payment is resumed may be related to true capital employed and that the balance sheet will present a clearer picture of the company's affairs. The 6p shares will be re-converted into 10p shares with the result that holders will hold three 10p shares for every five new held.

English & Overseas recovery

For the year to March 31, 1977 English and Overseas Investments reports a turnaround from a loss of £155,566 to a taxable profit of £124,566. The directors are confident that the profits reported can and will be maintained and indeed that they will be increased in the current year.

As a result of the activities of last year the balance sheet has been strengthened and the company's financial position is much improved.

It is the directors' intention to commence the payment of dividends in the near future—the last payment was that of an interim dividend of 0.35p net in 1976.

It is proposed to cancel the share premium account of £3.01m. It is also proposed to reduce the amount of the share premium account to £1.00m and to write off the major £2.01m (£1.60m, 1976).

Pearl Assurance growth slows

In the industrial market, new premiums advanced by 5 per cent. to £5.3m and new sum assured less than in 1976. New sum assured in the Ordinary branch advanced by 15 per cent. to £1.1m. The overall underwriting results for the period ended 31st March 1977 are disappointing. This is due to a sharp deterioration in private car business in the first quarter but this was reversed in the second quarter. It is hoped that further improvement will be seen in the second half of the year as a result of the premium rate increase in July.

In the property account the gross underwriting loss was lower, but the net loss was higher because of lower recoveries, arising from a different mix of claims. Remedial action is being implemented, but this will not have any material effect on the 1977 results.

Since July 11, the full time agency force has been engaged in industrial action in furtherance of a pay claim. The company feels that it is not possible to predict the effect on the full year's figures.

The interim dividend is held at 2.5p per 5p share. An additional amount of 0.1182p is being paid in respect of 1976 to compensate for the reduction in the basic rate of tax.

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Johnson Matthey moving ahead

FIRST QUARTER 1977-78 profits, before tax, of Johnson Matthey and Co. improved from £4.74m. to £5.36m. Invoiced sales of the group, excluding the hanking side, were virtually unchanged at £103.16m. against £103.02m.

The profit was struck after interest of £738,000 (£696,000) and depreciation of £766,000 (£640,000). Provision for tax of £2.83m. (£2.31m.) and minorities of £48,000 (£27,000), the retained balance emerges at £2.68m. against £2.37m.

In the year ended March 31, 1977 turnover amounted to £370.30m.—excluding hanking and profits came to £21.32m. from which dividends totalling £2.19p. were paid.

Mainly reflecting an increase from £50.30m. to £81.27m. in net current assets the group balance sheet total at June 30, 1977 is up from £128.08m. to £147.24m. Precious metal stocks are valued at base prices plus attributable taxation. If market prices has been used the amount on the balance sheet would have been higher by £21.93m. (£19.43m.).

The group's main business activities cover precious metal refining, banking, chemical manufacturing, metal fabrication, and the production of ceramic colours, pigments and decorative transfers.

Sunbeam Wolsey recovering

IRISH HOSTERY and knitwear manufacturers, Sunbeam Wolsey, report pre-tax profits more than doubled at £243,000 against £154,000 for the first half of 1977. Turnover expanded from £6.92m. to £9.89m.

Given normal trading conditions the directors expect that second-half results will be similarly encouraging although there are still loss-making companies in the group and others not earning a proper return.

In view of the improvement the directors are paying an interim dividend of 0.8625p net per 25p share. Last year's interim dividend of 0.725p net per 25p share was discontinued in accordance with the post merger marketing policy.

The results of the U.K. operations were satisfactory. Necessary actions have been taken to correct the situation in the North American subsidiaries and in the second half of the year Royal Ceramics will show a profit recovery, he tells members.

Royal Worcester Industrial Ceramics continued to perform well with improved profit performance which should be maintained for the full year. The Welwyn Electric and Subsidiaries sub-group made steady progress during the period. Demand, though patchy, was maintained and both manpower and capital employed utilisation were improved. Profit for the full year should show good improvement over last year provided market demand remains reasonably stable.

The group's profit attributable for the half year was £553,000 compared with £612,000—the profit improvements in Royal Worcester Industrial Ceramics and Welwyn Electric and its subsidiaries being more than offset by the shortfall in Royal Worcester Spode.

Attributable pre-tax profit for the full year should show an improvement over 1976, says Sir Ronald.

T. Robinson profit up at halfway

Including interest received of £101,346 against £11,894 engineers and machine makers, Thomas Robinson and Son, reports first half 1977 pre-tax profits of £363,954 compared with £208,442.

Turnover fell slightly from £3.28m. to £3.10m.

The interim dividend is increased to 0.7372p (0.69p) net per 25p share, with an additional dividend of 0.034p for 1976 consequent upon the reduction in ACT. Total for last year was 3.0278p paid from record profits of £58,141.

Tax for the six months took £190,000 (£160,000).

H. & J. Quick up halfway to £0.45m.

Passenger and commercial vehicle dealers H. & J. Quick Group announce taxable profits up from £356,950 in the first half of 1977, on sales ahead £5.31m to £2.12m.

The pre-tax figure was struck after interest charges of £254,464 (£168,661). Tax takes £238,000 (£190,750), leaving a net profit of £118,558 (£178,180).

Earnings per 5p share are also shown to have risen from 4.57p to 5.83p and the interim dividend is lifted to 0.8p (0.50p) net. For 1976 earnings were 1.032p and the shares may continue to be relatively weak. At 447p they yield a maximum 4.6 per cent.

Royal Worcester slips to £0.51m. at halfway

DESPITE A rise in external sales from £10.36m. to £15.56m., pre-tax profits of the Royal Worcester group slipped from £612,000 in £510,000 for the first half of 1977. Profits for all 1976 were £2.02m.

First half earnings are shown at 4.4p (4.88p) per 25p share. The interim dividend is lifted from 1.85p to 2.175p net. Last year's final payment was 3.77p.

Sir Ronald Fairchild, the chairman, says that results of Royal Worcester Spode were very unsatisfactory. On a comparable basis with the corresponding half year 1976 (including the pre-merger Carborundum Companies) sales and pre-tax profit attributable to Royal Worcester were £5.91m. (£8.28m.) and £32,100 loss (£274,000) profit. The shortfall was due to losses incurred by the merchant subsidiaries in the USA and Canada—caused by operating weaknesses and additional costs associated with reorganising the companies.

An additional provision of £227,000 made against profit for the half year is to provide for items of stock which are slow-moving and/or in lines which will be discontinued in accordance with the post merger marketing policy.

The results of the U.K. operations were satisfactory. Necessary actions have been taken to correct the situation in the North American subsidiaries and in the second half of the year Royal Ceramics will show a profit recovery, he tells members.

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Attributable pre-tax profit for the full year should show an improvement over 1976, says Sir Ronald.

BOARD MEETINGS

The following companies have notified dates of board meetings in the Stock Exchange. Such meetings are usually held for the purpose of considering dividend proposals and are available whether dividends are to be declared or not. Dividends are shown in pence and are based on the last year's turnover.

7.30-8.00

British Petroleum, Devon Gravel Contractors, English and New York Trust, Alexander Gordon, Imperial Chemical Industries, Klean Industrial, John W. Wrentham, Metal Closures, Miscellaneous, Robert Noel, Hovos, Sharpe and Fisher, George Spence, Thurair Barak.

8.00-8.30

British Electric Traction, County and District Properties, Albert Fisher, Land Investors, Marler Estate, Minerals and Resources Corporation, Uccasa Consolidated, Parry Timber.

FUTURE DATES

8.30-9.00

British Petroleum, Devon Gravel Contractors, English and New York Trust, Alexander Gordon, Imperial Chemical Industries, Klean Industrial, John W. Wrentham, Metal Closures, Miscellaneous, Robert Noel, Hovos, Sharpe and Fisher, George Spence, Thurair Barak.

9.00-9.30

British Electric Traction, County and District Properties, Albert Fisher, Land Investors, Marler Estate, Minerals and Resources Corporation, Uccasa Consolidated, Parry Timber.

Nu-Swift expects to top £1m.

FIRST-HALF 1977 pre-tax profits of fire extinguisher manufacturer Nu-Swift Industries rose by 7 per cent. from £481,000 to £514,000 on turnover up by 13 per cent. to £3.25m. Margins fell from 12.7 per cent. to 11.5 per cent.

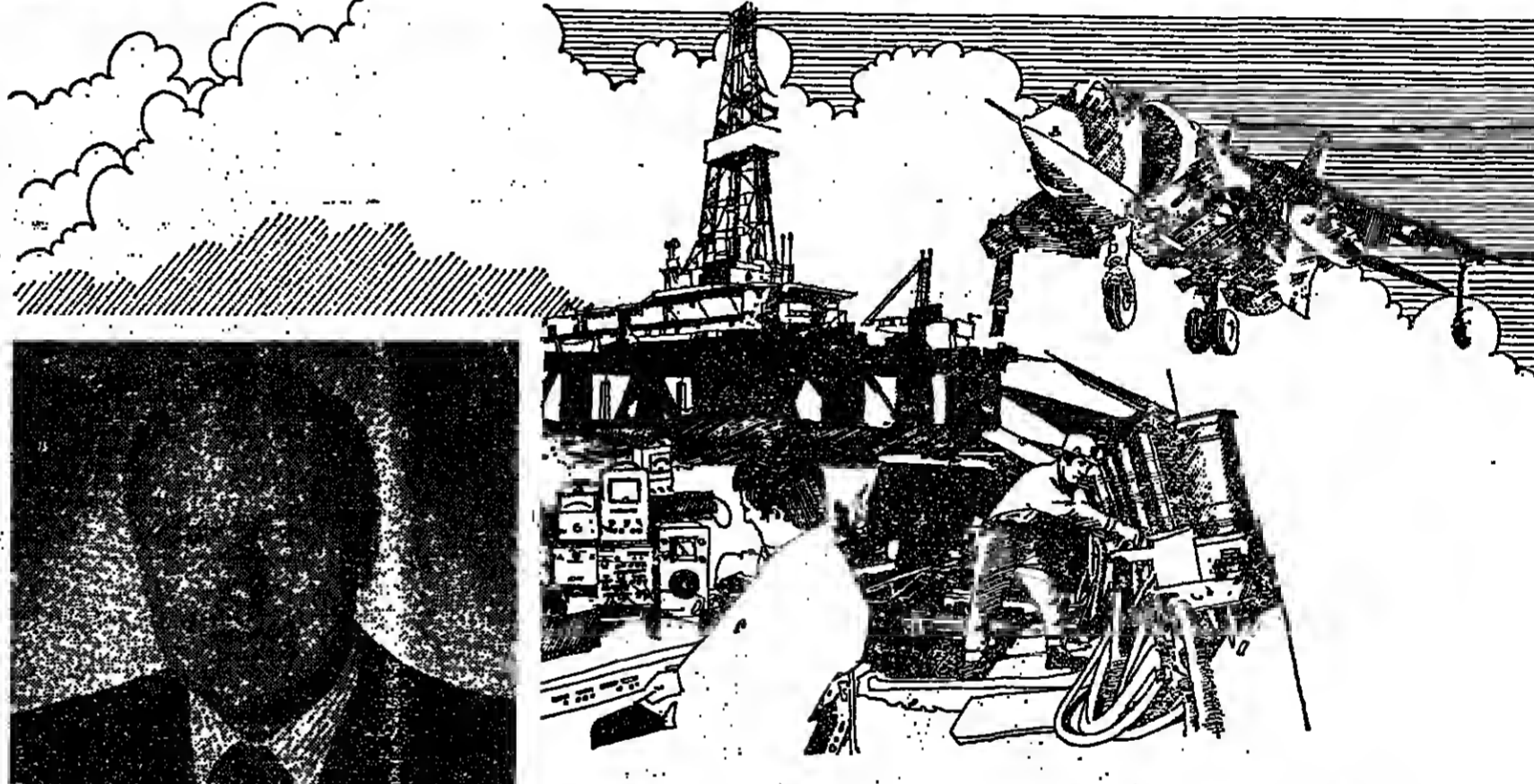
The directors say that the company is poised for more growth and prospects for continuing expansion overseas remain good. Despite the sluggishness in the level of economic activity they anticipate an improving pattern in order intake—which was up 22 per cent. for the period.

If adverse trading conditions are not encountered the directors say that the company is well placed to achieve profits of over £1m for the full year. Profit for 1976 was a record £928,549. Strided earnings are 3.37p per 5s share compared with 2.4p and the interim dividend is lifted by the maximum allowed to 0.66p (0.65p). Total for 1976 was £492,950.

Exports again led the company's profitable growth and now represent over one half of physical output, accounting for £1.31m. (£1m.) of turnover, it is stated.

Unexecuted order book totalled £544,000 (£534,000).

SUSTAINED GROWTH WORLDWIDE



Robert Hunt, C.B.E.
Chairman and Chief Executive

5 Years of Growth
TURNOVER (£,000)

Overseas & Export At home

1977: 44,826 (Overseas), 91,428 (At home)

1976: 38,991 (Overseas), 82,823 (At home)

1975: 34,098 (Overseas), 64,753 (At home)

1974: 19,413 (Overseas), 51,751 (At home)

1973: 16,740 (Overseas), 47,159 (At home)

- * Steady progress throughout the year 1977/8 opened with increased level of orders — particularly for export.
- * Group turnover increased to £136 million.
- * Export and overseas sales increased to one third — half to the Americas.
- * Aviation turnover increased by 24%.
- * The mining division maintained its technological lead.

Overseas activities increasing particularly in the Americas and Australia.

- * Demand strengthened for industrial hydraulic products.
- * Exports now 35%. Sales of seals and mouldings increased by 30%.
- * The Group's technological capability greatly strengthened by the acquisition of Ultra Electronics.

Our Results in Brief

	1976/77	1975/76
Turnover	£136,308,000	£121,814,000
Profit after interest but before tax	£ 18,076,000	£ 13,136,000
Profit after tax	£ 8,852,000	£ 6,027,000
Profit after tax per share	15.6p	10.7p
Dividend per share	4.2p	3.6p
Times covered by profit after tax	3.7	3.0

The Annual General Meeting takes place at the registered office, Arle Court, Cheltenham, on 5th October at 11.00 am. Copies of the Report and Accounts available from the Company Secretary.

DOWPTY

Dowty Group, Cheltenham, England.

QUEEN'S AWARD
1967 1968 1973 1974 1975

FAIRCLOUGH

	6 months ended 30th June, 1977	6 months ended 30th June, 1976	12 months ended 31st December, 1976
Turnover	88,049	80,319	163,471
Profit before taxation	3,056	2,413	5,954
Profit after taxation	1,467	1,158	2,828
Dividend per Ordinary share (basic)	3.925p	3.125p	7.650p
Dividend per Ordinary share	1.100p	1.000p	2.250p

Charge for taxation for 1977 is estimated and based on Corporation Tax of 52% (1976 - 52%).
Earnings and Dividends per Share for 1976 have been adjusted for the 1977 Capitalisation issue.

Statement of the Chairman, Mr. Oswald Davies, C.B.E., D.C.M., J.P.

The Group's forward workload in the United Kingdom has been maintained. Good progress is being made with our major work in Saudi Arabia. Further expansion has taken place overseas, with additional work in Kenya and India.

The Group's liquid resources have been kept at a high level.

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CIVIL ENGINEERING. BUILDING. TUNNELLING. SURFACE MINING
MECHANICAL ENGINEERING

CLARKE CHAPMAN
REYROLLE SCHEMERS
APPROVED

The meetings of the holders of the 100 classes of securities of Clarke Chapman and Reyrolle Parsons, under the auspices of the High Court, were held yesterday and resolutions to approve the Scheme of Arrangement for the merging of the two companies were passed by the requisite majority at each meeting.

Accordingly the Scheme will be presented to the High Court for approval on September 14, and if sanctioned will be effective on September 20. Details of the securities of the new company, which is to be called Northern Engineering Industries are expected to commence on September 21.

However, it was significant that the voting by Reyrolle Parsons shareholders was far from unanimous. The voting, at 78.2 per cent. in favour, exceeded by a narrow margin the 75 per cent. that is required under the terms of association to approve the Scheme.

The results of the polls held at each of the Court Meetings are as follows:— Clarke Chapman Ordinary shares 14,359,028 for, 1,814,262 against; 6.8 per cent. secured loan stock 2000-05 for, nil against; 6.8 per cent. secured loan stock 2000-05 for, 2,910,263 for, 101,001 against; 2.4 per cent. convertible loan stock 1989-94 190,200 for, 2,240 against; 74 per cent. 5.075 per cent. plus tax credit cumulative Preference shares 238,338 for, nil against; and 100 per cent. Debenture stock 1989-94 740,101 for, nil against.

Reyrolle Parsons—Ordinary stock units 5,121,485 for, 1,000 against; 7.5 per cent. (now 8.5 per cent. plus tax credit) cumulative Preference shares 26,220 for, 2,237 against; 4 per cent. (now 2.5 per cent. plus tax credit) cumulative redeemable Preference shares 277,103 for, 2,237 against; 10 per cent. unsecured loan stock 1989-93 4,572,994 for, 1,250 against.

VAVASSEUR & MILLS & ALLEN IN MERGER TALKS

Dealings in J. H. Vavasseur Mills and Allen International were suspended yesterday while the two parties discuss details of a possible merger. The merger and related banking and insurance matters are being handled by Hambros Bank and Kinross Benson, have agreed on the terms of a scheme of arrangement to effect the merger.

J. H. Vavasseur already in take of over 50 per cent. in national, whose business advertising, printing, design and property.

Vavasseur's share price was suspended yesterday at 710 with a valuation on M & A of £2.5 billion.

BIDS AND DEALS

Treasury allows Redfearn 250% dividend rise

THE BOARD of Redfearn National Glass, which is fighting an unwelcome bid from Ebscon International Inc., yesterday announced that it was increasing its total 1977 dividend by over 250 per cent. to 10.56p net with Treasury consent.

The 1977 final dividend will now be 9.291p net per share (14.077p gross), payable in February 1978. This compares with 3.071p net for 1976, when the total was 3.95p.

Redfearn shares were suspended in advance of the news at about 200p, but they closed only 5p up at 206p.

The Redfearn Board is still "totally opposed" to the Ebscon bid. A document containing detailed reasons for the rejection will be posted to shareholders today.

Ebscon, which is part of the City Investing Group, has responsibility for City's manufacturing interests outside the U.S. These activities involve a variety of products including a range of non-glass containers. Ebscon is seeking to expand its packaging interests and says that an association with Redfearn represents a logical step in this direction.

The Ebscon offer is for just over 50 per cent. of the Redfearn shares, and the offer price is 223p.

The formal offer closes on September 8.

GHP FORECASTS PROFIT RISE

GHP Group is forecasting pre-tax profits for the year ending December 31, 1977, of £2.13m, which compares with a figure of £1.37m in the previous financial year. The projections are included in a document that went out to GHP shareholders yesterday, containing details of Low and Bonar's agreed £8.2m take-over bid.

Low and Bonar, which itself has forecast pre-tax profits of £3.64m on its own account for the year ending November 30, 1977, holds 12.8 per cent. of GHP and has received irrevocable undertakings to accept from holders representing a further 12.4 per cent.

GHP shareholders are told that the terms of the offer—one share in Low and Bonar, plus either £1.35 nominal of 12½ per cent. Convertible Loan stock, 1988 or £1.35 in cash—are considered fair and reasonable by the directors and merchant bankers Lazard Brothers, the financial advisers.

The closing date for the offer is September 22, 1977.

EVA/STOCKFIS

Eva Industries has received acceptances of its offer for Robert R. Stockfis (Manchester) (as increased by the capitalisation issue) in respect of 2,945,385 existing and new Ordinary shares of £1.00 each. This is equivalent to 589,077 of the 641,111 Ordinary Stockfis shares in issue before the capitalisation issue and represents 91.88 per cent. of the issued capital.

The offer has become unconditional as to acceptances. It remains open for further acceptances. The cash alternative will close to-day and will not be extended and acceptances will be announced thereafter.

DUPORT SELLS SHAKESPEARE STAKE

The directors of Joseph Shakespear have been notified that on August 31 Dupont disposed of its total holding of 1,065,000 Ordinary shares of the company (13.805 per cent.). These have been placed with various investment institutions.

STEWART HOLL DUNCAN LAWRIE ANNOUNCES

on behalf of Jolai Tea Holdings that acceptances have been received in respect of 92 per cent. of the Ordinary shares of Stewart Holl for which the offer was made and from 75 per cent. of shareholders thereof.

This will enable Jolai to acquire compulsorily all the outstanding Stewart Holl Ordinary shares.

POLYSAR/MONO

The offers on behalf of Polysar Belgium NV to acquire the capital of Mono Containers at a price of 30p a share have been extended until 3 p.m. on September 7. Mono is also subject to a 35p a share offer from Autoban Vending Industries.

Acceptances have been received in respect of 87,918 Ordinary shares, representing 21.84 per cent. of the issued capital.

ISSUE NEWS

MIDLAND BANK STATISTICS
Statistics compiled by Midland Bank show that the amount of "new money" raised in the U.K. by the issue of marketable securities in August was £117.1m., an increase of £48m. on July. In the first eight months of this year, £243.8m. has been raised compared with £1,301.9m. in the same period of 1976.

About two-thirds of the month's issue was accounted for by local authorities, of which £68.9m. arose from five stock issues including three variable rate issues.

RENWICK
Renwick Group announces that at the EGM held yesterday, the special resolution approving, inter alia, an issue of the new preference shares was duly passed and that the Stock Exchange has granted a listing of the new shares. Accordingly, applications for a total of 72,310 of new preference shares received from existing shareholders of Renwick have been allotted in full and the remainder of the issue has been allotted to Equity Capital for Industry under the terms of the circular dated July 20, 1977, addressed to the shareholders of Renwick. Definitive certificates in respect of the issue have been despatched to allottees to-day and it is expected that dealing in the shares will commence to-day.

BRITISH SUGAR
British Sugar Corporation announces that acceptances have been received in respect of 5m. new ordinary shares offered by way of rights. The 182,244 shares not already taken up have been sold at a net premium of 60.3p per share which will be distributed pro rata among the ordinary shareholders to whom such shares were provisionally allotted, except that no payment will be made for any amount less than £1.

HUNGARIAN INTERNATIONAL BANK LIMITED

LONDON

has pleasure in announcing that at a meeting of the shareholders held in London on 3rd May, 1977, it was resolved to increase the authorised share capital of the bank by £1,500,000 to £3,000,000: the increase to be funded by shareholders' subscriptions totalling £1,350,000 and capitalisation of £150,000 of the retained profits of the Bank.

From 1st August, 1977, the capital of the bank is as follows:—

Authorised and Fully Paid Shares	3,000,000
Subordinated Loan Stock	1,500,000
	£4,500,000

The bank wishes to announce that, due to continuing expansion, it now occupies the whole of the second floor at Princes House, 95, Gresham Street, London EC2V 7LU.

Principal Activities

The company is a fully authorised U.K. bank, having commenced operations in August 1973. It carries on an international banking business with activities that include:

1. inter-bank deposit and foreign exchange dealing,
2. bill discounting, a forfait placement and trading,
3. short and medium term euro-currency loans,
4. documentary credits,
5. market making in secondary U.S. \$ London certificates of deposit (for major U.K. Clearing and Canadian bank issuers for periods of from one to six months),
6. market making in National Bank of Hungary eurobonds.



UBS maintains peak position in customer deposits - international operations make up half of all activities.

The inflow of customer deposits continued undiminished in the first half of 1977. A new high was reached end of June at Sfr. 30.3 billion, with Sfr. 11.2 billion originating abroad. UBS thus continues to take the lead among

half of the Bank's entire activities is devoted to international business.

Trusted Worldwide
These figures mirror the trust which customers throughout the world place not only in UBS but also in Switzerland as a major financial center—a base characterized by political and economic stability and the lowest inflation rate of all leading industrial nations. As a result, the Swiss franc ranks among the world's hardest currencies.

International Financing Know-how

Thanks to its strong placing power and international financing expertise, UBS again participated prominently in the firm underwriting of Swiss franc bond issues and in trans-

actions on the Euromarket. In addition, it carried out numerous private placings for foreign borrowers and took part in many syndicated Euroloans.

Solid Swiss Base

The internationalism of Swiss banking is matched by the multi-national character of Switzerland's foreign trade, insurance industry and tourism. The Union Bank of Switzerland, represented in 21 countries and on all continents, is broadly based in Switzerland as well as abroad. With 207 branch offices and agencies, UBS maintains the largest office network of all Swiss banking institutions and can therefore offer its wide range of services to customers everywhere. On the spot—worldwide—operating with the benefits of a solid base.

Balance Sheet Highlights	Dec. 31, '76 in mil. Sfr.	June 30, '77 in mil. Sfr.
Total assets	52,651	54,229
Customer deposits	28,950	30,294
Bank deposits	17,252	16,871
Loans to customers	20,920	22,595
Loans to banks	19,770	21,404
Capital resources	3,229	3,416

all Swiss big banks in this sector. Total assets climbed to the new record of Sfr. 54.2 billion, up from Sfr. 52.6 billion at the end of 1976. Roughly one

Handwritten signature or note in a box.



Union Bank of Switzerland

International banking - made in Switzerland

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

RENWICKS

The Renwick Group Limited (Registered in England No. 247231)

Issue of 750,000 10 per cent. Convertible Cumulative Redeemable Preference Shares of £1 each at par.

The Council of The Stock Exchange has admitted the above Shares to the Official List. Applications by existing holders of Ordinary Shares and 4.9 per cent. Convertible Cumulative Redeemable Preference Shares of the Company have been allotted in full.

Particulars of the New Preference Shares are available in the statistical services of Eitel Statistical Services Limited and copies of such particulars may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 15th September, 1977 from:

Samuel Montagu & Co. Limited, New Issues Department, Augustine House, Austin Friars, London EC2N 2JL.

Pannure Gordon & Co., 9 Moorfields Highwalk, London EC2Y 9DS.

The Renwick Group Recovers.

All Major Trading Activities Improve Performance

After two difficult years, the Renwick Group is well on its way to recovery. Turnover increased by over £4m to £37,764,000 during the year to 2nd April 1977. Pre-tax profit of £477,468 represented a turnaround of over £1m from the loss in the previous year.

RECORD SALES, EXPORTS AND PROFITS FROM MANUFACTURING
Turnover up from £4.7m to £7.8m including £2.37m exports. Profits before interest quadrupled.

Devon Conversions have introduced a new luxury Volkswagen LT motor caravan, and a new range of passenger-carrying vehicles.

THE WAY AHEAD
Although the Group some way to go to full success and profitability two difficult years, we are good progress in the first April 1977. This implies continuing in the current year.

RENWICKS

The Renwick Group Limited

Fairclough rises to £3.06m. at six months

TURNOVER increased from £2.2m to £3.06m at six months, with a profit of £245,000, says Fairclough Construction Group. The group's turnover in the first six months of 1977 was £2.2m, compared with £1.8m in the same period last year. Profit rose to £245,000 from £180,000. The group's share price rose to 245p from 220p.

Progress continues at Grovebell

Pre-tax profits of Grovebell Group, Vauxhall and Bedford main dealers for the half-year ended May 31, 1977, rose by 58 per cent to £44,287, compared with £28,008 for the corresponding period last year and £48,323 for the last full year. The half-year figures include a first contribution of £27,159 from Gregory and Bephrum, which was acquired in May but with effect from October 1 last. In arriving at the overall pre-tax profit of £28,008 for the half-year, a deduction of £12,000 in respect of notional interest on the consideration for the acquisition of Gregory has been made.

Leisure Caravan

Leisure Caravan Parks is forecasting profits in the £1.8m to £2.2m range for the year to February 28, 1978. At the AGM the chairman said that steady growth continued in the present year. The usual cash trend had been followed and all overdrafts had been repaid on the group had some £1.2m on deposit. Since over half the income of the group was from rents receivable in advance and the majority of the remainder of income was receivable in the first six months of the year, the board expressed confidence that for the fourteenth successive year record profits would be achieved.

Good start by Walter Alexander

The results of Walter Alexander for the first three months of the current year are, on the whole, in line with budgets. If this situation is maintained, the company's earnings per share for the first half of 1977 will be 1.03p (an interim dividend of 0.8p (same) per ordinary share is declared, payable October 14).

MINING NEWS

Cyprus Mines finds new copper process

AMERICA'S Cyprus Mines claims to have developed a new copper production process that could provide an alternative to the conventional smelting and refining of the metal.

Mr. Henry Mudd, chairman of the large mining group, called the process "a technological breakthrough," although he pointed out that an economic study by Jacobs Engineering, Pasadena, California, is not expected to be complete until the end of September. He said that about \$5m (£14.4m.) was spent over the past several years to come up with an alternative to the conventional smelter, and that the new approach appears to be an improvement over the current process Cyprus began developing in about 1973.

If the new hydrometallurgical process could produce copper at lower cost than smelting, it could alter the current expensive pattern of shipping ore from remote mining sites in a few smelters scattered around the country. A large part of copper production costs lies in moving ore concentrates to about a dozen smelters in the U.S.

The process involves leaching of copper concentrates in a ferric chloride solution to produce copper chloride in solution form. Through precipitation, copper chloride crystals are created, then reduced in a fluid-bed reactor with hydrogen to copper pellets that are almost pure, mixed with about 8 per cent sand.

The final step is chemical removal of remaining impurities and conventional smelting of the fluid-bed reaction product before pouring pure copper wire bar. Under conventional methods, copper ore is mined, then crushed to prepare a copper-rich concentrate. This is shipped to a smelter where it becomes cathode copper. Subsequent electrolytic refining produces pure copper.

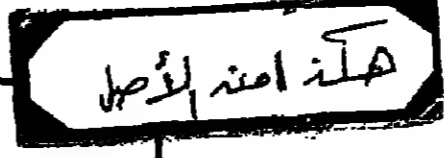
The advantage of the Cyprus process is that it would allow a chemical treatment of the concentrate to produce a relatively high-purity copper product at a point prior to the smelting process. That presumably would limit sharply both the volumes of material to be heated and the associated bleed off of gaseous impurities. Cyprus claims that the wire bar that results "is the same in every respect" as the bar now produced conventionally.

A metallurgical expert for one copper company said the Cyprus definition of the smelting process "is interesting technologically. But I've seen a lot of processes developed over the years, and this won't set the world on its tail unless it cuts costs," he added. He said that large copper producers would need about a 20 per cent saving over the current process before it would support a new approach. "The reason people are trying to get away from the conventional smelting process is that it's generally very capital intensive and labour intensive."

Investment in smelters now is \$1.5m and \$2.4m an annual ton, or almost a quarter-billion dollars for a new smelter with a 100,000-ton capacity, he said. Meanwhile copper prices have fallen to 60 cents a pound, or below the average cost of production, from 74 cents in May. Producers would thus be more interested than ever in systems that reduce costs.

WARBURG TO ACT FOR W. MINING ON YEELIRRIE

Although Western Mining's chairman has warned that the lifting of Australia's ban on the mining and export of uranium still means that the potential producers face lengthy formalities before they receive permission to proceed, the company is losing no time in making its preparations to develop a new copper production process that could provide an alternative to the conventional smelting and refining of the metal.



GENERAL THE GENERAL ENGINEERING CO. (RADCLIFFE) LTD

The 40th Annual General Meeting of the Company was held at Radcliffe, Manchester on 31st August, 1977.

- Main points from the Chairman's Statement:
- Trading results do not reflect the progress and consolidation achieved during the year.
- Development expenditure, all written off, was much higher than usual and delay in the placing of orders reduced activity for a period during which the full labour force was maintained at a very heavy cost.
- The results show the Group's resilience to special factors.
- Order levels continue to rise and with new product developments the future looks promising.

Group Results in Brief: 1977 vs 1976. Turnover: 10,241 vs 9,405. Trading Profit: 823 vs 1,234. Interest: 214 vs 247. Taxation: 169 vs 477. Extraordinary items: - vs 119. Profit after tax: 449 vs 441. Earnings per share: 4.2p vs 5.4p. Dividend per share: 1.07p vs 0.97p. Tangible assets per share: 31p vs 21p.

Full Report and Accounts available from the Secretary, Bury Road, Radcliffe, Manchester.

RHODESIAN CABLES LIMITED

NOTICE TO SHAREHOLDERS. Profit statement and declaration of final dividend for the financial year ended 30th June 1977.

Audited profits for the year compare as follows with the corresponding figures in respect of the previous financial year. Table with columns for Year ended 30.6.77 and Year ended 30.6.76. Rows for Pre-tax Profit, Taxation, and After-Tax Profit.

Notice is hereby given that a final dividend (No. 26) in respect of the financial year ended 30th June, 1977, of 45 cents per Ordinary Share making a total for the year of 60 cents (year ended 30th June, 1976, 60 cents) has been declared by the Directors payable to shareholders registered in the books of the Company at the close of business on 23rd September, 1977. The dividend will be paid on or about 28th October, 1977.

The transfer books and Register of Members will be closed from 24th September, 1977, to the 7th October, 1977, both dates inclusive. The dividend is subject to non-resident shareholders' tax of 20 per cent in the case of shareholders whose addresses in the share register are outside Rhodesia.

By Order of the Board, O. Aantoni, Secretary. Lyrton Road, Workington, Salisbury, 26th August, 1977. Directors: Sir Henry McLennan McDowell, K.B.E., F.C.S. (Chairman), D. H. Cummings, I.C.D., O.B.E., F.C.I.S., D. G. Sutherland, B.Sc., C.Eng., F.I.E.E., F.S.A.I.E.E., M.I.C.E. (Alternate M. F. Driver), K. Taylor, C.Eng., F.I.E.E., F.I.R.Bod. I.E., F.I.D.

MONEY MARKET Interest rates easier

Bank of England maintains lending rate at 7 per cent. The money market yesterday, when an exceptionally large amount was lent to seven or eight houses overnight at M.L.R. It was suggested that if the Bank of England wished to prevent a fall in the Treasury bill market, it might raise the rate of 7 per cent to 7.5 per cent. There is still a further day for the market on interest rates, however, and this is likely to be influenced by the view taken of the recent strong demand for sterling in the foreign exchange market. Banks carried forward surplus balances yesterday and the money market was also helped by an excess of Government discounts over revenue payments to the Exchequer and a slight fall in the note circulation. On the other hand there was a net take-up of Treasury bills to finance, and repayment of overdrafts and seven day official loans. Rates in the table below are nominal in some cases.

Table of interest rates: Sterling, Interbank, Local Authority, Finance House, Company Deposits, Treasury Bills, etc.

All of these securities having been sold, this announcement appears as a matter of record only.

CITY INVESTING COMPANY. \$100,000,000. 100,000 UNITS CONSISTING OF \$100,000,000 9% SINKING FUND DEBENTURES DUE 1997 WITH 800,000 SHARES OF COMMON STOCK. Offered in Units, each consisting of one Debenture in the principal amount of \$1,000 and 8 shares of Common Stock, par value \$1.25 per share. The Debentures and Common Stock will not be separately transferable prior to October 1, 1977, or such earlier date as may be determined by City Investing Company with the consent of the Representatives of the Underwriters.



"I haven't been so happy for years."

For many elderly people, going into a "Home" seems like the end of the world. Nevertheless, our headline is a typical quotation from one of our residents' letters.

The Distressed Gentlefolk's Aid Association runs a particular type of Home for a particular type of person. Not just what is implied by the "Gentlefolk" in our title but anyone, man or woman, who will "fit-in" with our other residents.

We have 13 Homes in all. Some Residential, some full Nursing Homes. Anyone who needs a Home but who lacks the necessary financial resources can apply to the DGAA for help.

Places are short, because money is short. Your donation is urgently required. And please, do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE, VICARAGE GATE, KENSINGTON LONDON W8 4AQ. "Help them grow old with dignity"

TELEFUSION

Summary of Results

Year to April 1977. 1977 vs 1976. Turnover ex V.A.T.: 62.0 vs 44.0. Profit before Taxation: 3.1 vs 1.1. Cash Flow: 9.4 vs 7.7. Earnings per Share: 6.4p vs 1.2p.

Final Dividend of 0.620273p per share recommended which together with interim of 0.55p represents the maximum permissible under Government dividend restraint.

The Annual Report will be posted to shareholders on 23rd September 1977 and Annual General Meeting will be held on 20th October 1977.

PRESTON NEW ROAD - BLACKPOOL - FY4 4QY

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Arab may buy Condotte d'Acqua

BY PAUL BETTS

THERE IS growing speculation here that Saudi Arabian interests are behind the sale of the Italian state-controlled civil engineering company, Condotte d'Acqua, to so far unnamed buyers.

The sale of Condotte d'Acqua in effect represents an unprecedented example of the transfer of a profitable Italian state-controlled company to the private sector. It also forms part of a wider plan to salvage the troubled Societa Generale Immobiliare (SGI), Italy's largest private construction group, formerly managed by the financier Sig. Michele Sindona.

Corchi, tentative agreement for the sale of the 51.78 per cent state share in the engineering group has been made. The agreement still needs official Government approval, and the Board of the giant state holding company, IRI, which controls Condotte d'Acqua, is scheduled to meet next Monday to discuss the deal.

Earlier this year, Sig. Lorbi said that an American banking group was interested in the Condotte d'Acqua venture. The speculation that Saudi Arabian interests are behind the Condotte d'Acqua operation have been further kindled by the recent visit of the Italian Prime Minister, Sig. Giulio Andreotti, to Saudi Arabia. Earlier this year, Sig. Andreotti intervened

EUROBONDS

Barclays and Beecham

BY MARY CAMPBELL

ATTENTION TO-DAY will be concentrated on the Barclays and Beecham issues, both of which trade for the first time this morning.

The conversion price for the bonds has been set at 685p, a premium of 11.6 per cent over the Tuesday's closing price of 622 1/2p. The range initially indicated had been 8 to 13 per cent.

stock market which pushed the price of the underlying stock up to 62p.

Suntory sees market growing by 15% a year

By Kenneth Gooding

THE WHISKY market in Japan is expected to grow around 15 per cent a year for at least the next five years, Mr. Keizo Saji, chairman of Board and President of Suntory, the major Japanese whisky group, in London yesterday.

But while the home market remains buoyant, Suntory is having extreme difficulty developing export markets, what is not a traditional Japanese product.

On the whisky front, Mr. Saji said that the market was expected to grow around 15 per cent a year for at least the next five years, Mr. Keizo Saji, chairman of Board and President of Suntory, the major Japanese whisky group, in London yesterday.

Suntory also owns 11.2 per cent of the issued share of Glenlivet Distillers, the 99 Anne Scotch group, which provides the Japanese with some of the malt whisky in its Japanese blends.

Saleninvest's first half loss

BY WILLIAM OULLFORCE

SALENINVEST, the Swedish shipping group, reports a loss of Kr.78m. (£12.2m.) for the first half of 1977 and forecasts a continued depression in the second half. Turnover was marginally higher at Kr.1,085m. (£124m.).

The group's progressive profit decline is due to the continuing depression in the tanker and dry cargo markets. At the end of June it had five ships laid up and another 11 idle.

1976 as a whole of Kr.28m. The current first half figures do not include the income from Saleninvest's 40 per cent share in the Saba Dagali Importing and wholesale trading concern, which had earnings of Kr.29m. for the six months.

Fincantieri loss up to L38.68bn.

By Our Own Correspondent

FINCANTIERI, the shipbuilding holding company of the Italian state IRI group, posted losses of L38.68bn. (about £26m.) for the year ending April 30, the company reported to-day.

In its annual report, the company said that Italy's current economic problems, including inflation and the high cost of labour, money and raw materials, had badly hit the country's shipyards. Last year, the report added, Fincantieri had no orders from the international market.

Svenska Flakt profits ahead

PERFORMING against the current trend in Swedish business, Svenska Flakt, the industrial ventilation and pollution control group, improved first-half earnings by Kr.1.9m. to Kr.35.3m. (£4.15m.). Sales grew by 1.6 per cent, to Kr.927m. (£110m.).

The increase in profit is due to the improvement in income on financial transactions from a loss of Kr.2.1m. in the first half of 1976 to a gain of Kr.7.2m. in the first six months of this year. Over the 12 months to June 30 group liquidity rose from Kr.405m. to Kr.617m.

AMERICAN NEWS

New ruling posted for auditors

NEW YORK, August 31.

INDEPENDENT AUDITORS in the U.S. are now required to advise a company's senior management and the Board of Directors or audit committee of any material weaknesses in the firm's internal accounting control coming to their attention, the American Institute of Certified Public Accountants announced, reports Reuter.

more disclosure in proxy material on matters involving environmental and equal employment questions and the advisability of giving holders access to management's proxy material in order to let them contact persons for a company's board.

SILICONIX INC. confirmed reports that Honeywell Inc. is the company that offered to acquire it for about \$12m. or \$10 a share, reports Reuter from California.

SILICONIX had previously reported the offer but declined to name the company bidding for it.

The SEC said it plans to open hearings on September 29 on ways to involve shareholders more deeply in the affairs of companies, reports AP-DJ from Washington.

The SEC said it wants to establish minimum Federal standards of corporate conduct and shareholders rights.

The SEC said it wants to examine whether it should require more disclosure in proxy material on matters involving environmental and equal employment questions and the advisability of giving holders access to management's proxy material in order to let them contact persons for a company's board.

GAC \$135m. suit

BANKRUPTCY trustees of GAC Corporation have filed suit seeking \$135m. in damages against four of the company's former officers, reports AP-DJ from Miami.

FEDERALE KUNSMIS, the fertilizer group that is jointly controlled by the Federal group and the Industrial Development Corporation, has reported a 17 per cent decline in after-tax profits from R3.22m. to R2.66m. for the six months to June.

The decline was entirely due to losses incurred in the new phosphoric acid plant, commissioned at the end of last year. This new plant at Phalaborwa has operated well and the entire output has been sold, but due to depressed world prices it incurred a loss which had "a severe impact on overall results."

This loss was to some extent offset by higher fertilizer profits in the local market, where a satisfactory sales growth, in excess of industry average, was achieved.

AGRICULTURAL Bell International has been awarded a \$141m. contract by the Imperial Government of Iran to start implementation of a telecommunications development programme. The

Dividend cut at Primrose

BY RICHARD ROLFE

JOHANNESBURG, August 31.

PRELIMINARY figures from more than eight cents," indicated a cut in the total from 24 cents to 16 cents. Since then the shares have fallen as low as 87 cents, putting Primrose on a prospective yield of 18.4 per cent even on the lower figure.

The results put out to-day show that the final dividend had to be cut to 21 cents to make a total of 104 cents. The margin of the reduction suggests current year earnings prospects are not encouraging.

20 per cent, and price cutting. The effect on Primrose's earnings has been severe. It has not disclosed the pre-tax figure for the second half year nor the share of taxation, but earnings per share are down from 53 cents to 19 cents whereas the interim statement shows a per share figure at that point of 17.5 cents.

NITTO ELECTRIC INDUSTRIAL CO., LTD. U.S. \$15,000,000 6 per cent. Convertible Bonds 1992. Includes list of agents and distributors.

50% rise for Naarden

BY MICHAEL VAN OS

AMSTERDAM, August 31

NAARDEN International, the Dutch scents and fragrances producer, has continued the upward trend of profits in the first half of this year. Net profits were up nearly 50 per cent, to Fl.3.8m. from Fl.2.5m. in the same half of last year on sales that had gone up 4.3 per cent, to Fl.218.7m. to its half-year statement published to-day, the Board pointed out that sales had risen by 14.3 per cent, expressed in exchange rates applicable at the end of 1976.

Naarden said that as a result of a better capacity utilisation and a slight improvement of margins, operating profits had improved by Fl.4.9m. to Fl.14.9m. in the first half. Net profit per share has risen to Fl.1.62, which is up over 47 per cent.

WORLDINVEST INCOME FUND

INTERIM DIVIDEND ANNOUNCEMENT. The Trustees of Worldinvest Income Fund are pleased to announce a \$3.00 per share interim distribution to shareholders covering the period from the formation of the Fund on February 1st, 1977, to June 30th, 1977.

REPUBLIC OF SOUTH AFRICA. THIRD ANNUAL REDEMPTION INSTALMENT. Includes details of bond redemption and interest payments.

السوق المالية العالمية

Bid by Weston Foods runs into bitter opposition

THE SAMANCOR AFFAIR

Doubt over Government attitude

BY RICHARD ROLFE IN JOHANNESBURG

WESTON FOODS' bid for the Provincial... was closely involved in the running of Provincial and on major steps were taken without consultation with Weston.

SYDNEY, August 31. THE RECENT "Samancor affair" in South Africa has cast considerable doubt over the future control of this big manganese and ferro-alloy producer.

Such performance has made Samancor a highly valued business, always assuming, of course, that someone could afford to buy it. On July 12, its shares were suspended in Johannesburg at 750 cents, having risen strongly the previous day, and at this level it was capitalised at R216m, valuing Iscor's 45 per cent interest at R100m.

What happened when the bids were opened and Anglo's proved to be the top price has been hotly disputed. But the outcome was that the Minister of Economic Affairs, Mr. C. Heunis, ruled that Iscor could not sell its Samancor holding "in view of the magnitude of the transaction and the strategic nature of the products involved."

gloomy outlook at BHP

OUR OWN CORRESPONDENT. SYDNEY, August 31. SAULT STEEL'S ENHANCED PROSPECTS... have led to a gloomy outlook at BHP.

WESTON came back with a statement, signed by Mr. Parker, which regretted the "deliberate tactics" used by Provincial to undermine the discussions which had been taking place between the two companies.

EXPECTED EURODOLLAR BOND PRICES

Table with columns for bond types (e.g., 10% 1980, 12% 1982), maturities, and prices. Includes a section for 'WEEKLY NET ASSET VALUE' for Tokyo Pacific Holdings N.V.

MID-DAY INDICATIONS

Table listing various financial indicators and bond prices, including 'FLIGHTING RATE NOTES' and 'CONVERTIBLES'.

Advertisement for Morgan Guaranty Trust Company. Text: 'People with substantial incomes and assets have uncommon personal banking needs. Morgan Guaranty answers their needs with services that are confidential, conservative, professional—qualities that distinguish Morgan's banking service to the world's leading corporations.'



Charles Bastin is head of Morgan Guaranty's personal banking office in London.

Table titled 'VONTAEL EUROBOND INDICES' showing various bond indices and their values.

Additional text at the bottom left, including 'Weekly net asset value' and 'Tokyo Pacific Holdings N.V.' information.

Additional text at the bottom right, including 'Member FDIC' and 'Incorporated with limited liability in the U.S.A.'

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Reporting to the Managing Director the Controller will supervise the five accounts staff. He or she will produce and analyse regular management reports, budgets and cashflow information and may need to improve underlying systems. Administration will form an important part of the job content as will the continuing involvement in business development.

Aged 30-40 applicants should be qualified accountants with experience in a line role in a manufacturing industry. Please telephone or write to David Hogg ACA quoting reference 1/1519.

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01-242 7773

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We are now looking for a qualified accountant (A.C.A., A.C.C.A., aged 29-40) to undertake the present Chief Accountant who will be moving shortly into a general management position within the group.

The Chief Accountant is directly responsible to the Financial Director for the administration of the accounts department (80 staff) providing a central accounting service to group companies. The service includes sales and purchase ledgers, payroll and the provision of detailed monthly and annual accounts.

The successful applicant will be fully experienced in running a large department in addition to having a sound commercial accounting background.

As a progressive group we can offer sound opportunities for career advancement and a starting salary and benefits which reflect the importance attached to this position. Please reply in writing with curriculum vitae to The Financial Director.

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The Client One of the country's largest training organisations providing technical assistance, advice and support to industry.

The Job Reporting to the Chief Executive with responsibility for the finance, accounting and data processing functions. Key areas are financial planning, cash management and systems development.

The Candidate Aged from 40, mature, articulate and used to working closely with senior people in industry. An accounting qualification is essential.

The Package Salary negotiable up to £9,000. Subject to review each January. Car. Relocation expenses.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

J. G. Cameron, The Executive Selection Division - MF887,
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

City

c£10,000 + car

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The Client A large worldwide insurance broker.

The Job Reporting to the Financial Director with responsibility for both financial and management accounting functions. Cost reduction and profit improvement will be important features of the job.

The Candidate A qualified accountant, male or female, aged from 30 with a minimum of five years' accounting experience outside the profession. An insurance or financial services background would be helpful.

The Package Salary negotiable around £10,000 plus a car. Other fringe benefits are excellent.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

E. J. Robins, The Executive Selection Division - MF855,
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

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A fascinating exercise for the right sort of mind. This major British Group, with a turnover in nine figures, is looking for a Group Financial Accountant (Fund Management), whose overall responsibility will be to ensure the co-ordination and the best possible use of the Group's domestic and external funds and credit lines in the short, medium and long term. This will entail investing surplus funds, minimising interest charges, profitably arranging foreign exchange transactions and preparing financial projections. Already we can hear questions about the grand job title, the job description and the salary quoted. We appreciate the problem, but we still think it can be done, because above all we want young ability to grow into the job. Hopefully we will find a qualified accountant, preferably a Business School graduate, with some commercial experience including international accountancy and foreign exchange work. Age could be mid to late twenties. Ideal personal qualities would include the ability to work independently and the confidence and coherence to question data or recommendations from both internal and external sources. Joining a congenial team in Mayfair, there will be plenty of professional and intellectual satisfaction in a job which offers considerable career prospects. Please write with full career details to Jack Cox.

Applications, which may be from male or female candidates, will be treated in complete confidence and should quote reference 776/JAC.

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A UK holding company with substantial interests worldwide wishes to appoint an accountant to an important management post in its small Head Office team. Reporting to the Finance Director, the main roles will be to provide a comprehensive and effective financial information and accounting service, to manage the company's financial resources and to implement financial appraisal techniques in relation to existing investments.

This post could be particularly attractive to a younger accountant looking for an opportunity to obtain first class experience of modern financial management at the centre of a major group.

Basic requirements are:
* A Chartered Accountant aged 30-35
* A thorough accounting training obtained in a well-disciplined atmosphere
* A well-rounded personality with the ability to gain ready acceptance both at group level and overseas.

Please write in the first instance, enclosing details, to the address below. (Reference 682 must be quoted on your envelope. Enclose separately a note of any companies to which your application should not be sent.)

Ronald Fairbairn, Everetts Recruitment,
10 Greycoat Place, London SW1P 1SE

EVERETTS recruitment

The Lummus Company Limited

One of the World's leaders in design, engineering and construction of Oil Refineries, Chemical and other Process Plants, has a challenging and demanding opportunity for a Solicitor to fill the following position in the Company Secretary's Contracts and Insurance Department:

Manager of Contracts

Responsibilities include drafting, advising and commenting on contracts between the Company and its clients and participating in negotiations with representatives of industrial organisations in the UK and overseas.

The major emphasis of the work is on commercial contracts but the Department also deals with Bonds, Financing Agreements, Licences, Secrecy Agreements, etc.

Applicants (male/female) should have at least five years experience at a senior level in contract and commercial work in an engineering or contracting organisation, or in a firm of Solicitors.

There will be a need to demonstrate ability in negotiating with clients and in liaising with the Company's Executives and personnel at all levels.

Salary is negotiable and benefits include Pension, Life Assurance and Permanent Health Schemes. Travel loans, etc. Relocation expenses provided where appropriate.

Please send full career details to:

A. Harris, Manager Personnel & Industrial Relations,
The Lummus Company Limited, Monmouth House,
58, 64 City Road, LONDON EC1P 1ES.
Telephone: 01-253 8444.

LUMMUS

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Negotiable c. £15,000.

This is an exceptional opportunity to join a progressive medium sized firm of Chartered Accountants in the City of London seeking to expand the size and scope of its tax department.

The successful applicant, male or female, will take charge of a small team of mainly qualified accountants providing an all round tax and advisory services to a wide variety of substantial public and private company clients.

As well as offering tremendous potential in terms of client development there is the opportunity for the successful applicant to take overall responsibility for the administration and development of the tax practice as a profit centre within the firm. It is anticipated that the successful applicant should progress to partnership within a 1-3 year period.

For more information and a personal history form, please contact Trevor Atkinson, A.C.A. or George Ormrod, B.A. (Oxon) quoting Ref. No. 1934.



Douglas Lambie Associates Ltd.,
410, Strand, London WC2R 0NS.
Telephone: 01 836 8501.
121 St. Vincent Street, Glasgow G2 5HW.
Telephone: 041-226 3101,
and in Edinburgh.

Finance Director

£20-25,000 salary net

Our client is a long established profitable group, with a £30 million turnover, engaged in a wide range of trading activities, shipping, manufacturing and tourism. The group is located in an unusually interesting and particularly pleasant developing Country, and is associated with two important U.K. based international companies. There are excellent career prospects.

The Finance Director must be a qualified Accountant with a good track record in commerce or industry. The Executive will have to deal with top level governmental and institutional officials and therefore should have a well rounded education. An ability to speak French is preferred as is overseas experience. Age 35-40.

The remuneration package will include housing and services, car, educational and home leave and other allowances.

Please write with full career details to David Munns:
KORN/FERRY DICKINSON LIMITED
20 Queen Street, Mayfair London W1X 7PJ

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INTERNATIONAL

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The expansion of funds under management necessitates the recruitment of an investment manager. Candidates should have several years experience of fund management preferably in international markets. The appointment carries a considerable degree of responsibility and discretion as well as competitive remuneration. Flemings are widely represented overseas and good opportunities exist for advancement, both in the UK and abroad.

Investment Analysts

Owing to promotion and expansion, vacancies exist for analysts with at least two years analytical experience. Of particular interest would be candidates with specialist knowledge of the electrical sector or economics. Good opportunities exist for advancement within the UK and overseas.

Applicants, of either sex, should write enclosing curriculum vitae to D. W. J. Garrett, Robert Fleming Investment Management Limited, 8 Crosby Square, E.C.3.

ROBERT FLEMING

Financial Analyst

Brussels

c. £16,000

An energetic, qualified accountant, preferably in his late twenties, is required at the headquarters of an international corporation based in Brussels to help monitor their African operations. Applicants should hold an ACA, ACMA or equivalent qualification and have several years' line experience in commerce or industry, although previous staff assignments in addition would be valuable. A quick analytical mind is essential together with the ability and the stamina to work under pressure. Some travel is involved and the ideal candidate would speak French in addition to English. If you

would like to learn more about this professionally interesting and financially rewarding opportunity with a large, still-growing organisation, please send your c.v., including present salary history and earliest starting date. (Ref: H1916/F)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may NOT be sent. They should include comprehensive career details, not refer to previous correspondence with FA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

operational auditor

A major international manufacturing and marketing corporation, with European Headquarters in Brussels, has a challenging opening for an

The successful candidate will travel extensively throughout GERMANY and SCANDINAVIA, undertaking marketing and production appraisals, profitability reviews and financial audits.

Applicants should be aged at least 30 years and must have:

- a good university degree, MBA or recognized accounting qualifications,
- at least 8 years of business experience including EDP audit, operations or systems experience,
- fluency in ENGLISH, GERMAN and a SCANDINAVIAN language.
- a diplomatic personality and good oral and written communicative skills.

The position, based in GERMANY or SCANDINAVIA (at candidate's choice), offers an attractive compensation package and excellent future career prospects.

Please send detailed cv in strict confidence to:

Yves van den BOGAERDE, Management Consultant,
rue Major Pétillon 37, B-1040 Brussels, Belgium.

Yves van den Bogaerde

Marketing/Management

MADRID

A marketing company major group in the

wishes to recruit a

to be appointed Manager

the present incumbent

18 months.

Ideally an English

National, we are looking

for a person with

experience in general

marketing and

personality able to

work under pressure

and salary plus

benefits.

Please write with

CV to

Box 6060, Tetbury

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up to £15,000 + car

EUROPEAN FINANCE MANAGER

The Company: An international American group specialising in the sale and service of process control systems for the paper and plastic manufacturing industries. The group, which has subsidiaries throughout Western Europe has an impressive record of growth over the past five years and worldwide sales are currently in excess of £360 million per annum, of which over £200 million are generated in Europe.

The Job: He or she will join a small headquarters team to assist the Director of Finance for Europe in the financial planning and control of European operations. Main areas of emphasis will be in raising funds, managing foreign exchange positions, cash management, insurance, tax planning, the appraisal of operating results and the review of financial operating procedures.

Candidates: Preferred age around 35. Original training with an international audit practice leading to an accounting qualification. Substantial experience since of the treasury function, which must include raising funds in Europe. A service industry or manufacturing background would be helpful.

The Package: Salary negotiable up to £15,000. Car for the candidate who succeeds in this job promotion prospects are excellent. Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

J. G. Cameron, The Executive Selection Division - MF855, Coopers & Lybrand Associates Ltd., Management Consultants, Shelley House, Noble Street, London, EC2V 7DQ.

Recently Qualified Graduate A.C.A.

To £8000

Our client is a very well-known public company, with varied production interests in the U.K. and W. Europe. Turnover is approximately £500m, and the return on capital is very healthy. The Corporate Headquarters is based in London, and we have been retained to recruit a recently qualified A.C.A. You will act as the Group's internal financial adviser and be responsible for developing further a role which encompasses several aspects of creative financial management, including maximisation of cash and working capital resources, treasury and funding strategy, acquisitions and major capital investments, and assessment of overall commercial performance in relation to competition.

- To be considered you must comply with the following criteria:-
- * Age 24-28 years
- * Preferably a graduate from university or business school
- * Trained with a major practice
- * Preferably, but not essentially, with some commercial experience in a similar type of business

An unblemished exam record (maybe with a place and good degree) will tend to indicate the intellectual calibre required, and this should be matched with a distinct commercial awareness. Salary is no object and could be up to £8,000 for the right candidate.

Please send a detailed c.v. to Peter Wilson, F.C.A., stating how you can meet the requirements. Interviews will take place in the week commencing 12th September.

Management Appointments Limited

Albemarle House 1 Albemarle Street London W.1. Tel: 01-499 4879

Accountant for Consultancy Directorship prospects

Yorkshire based

One of the larger British consultancy companies is looking for an exceptionally able accountant capable of assuming a high level of responsibility within a comparatively short time of joining the practice.

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Successful consultants are invariably of above average intellectual ability, strongly self-disciplined, persuasive and able to bring about change from what is essentially an advisory position. There are opportunities to match a rewarding, stimulating career in consultancy with a clear path to the top.

If you think that you meet this demanding specification and are a qualified accountant with first class experience please write giving full career details. These will be forwarded direct to our client. Do not separately send any companies to whom your application should not be sent. Ref. B.1619.

This appointment is open to men and women.

CONFIDENTIAL RECRUITMENT 17 STRATTON STREET LONDON W1X 6DB

Treasurer

Nigeria

The rapidly growing Nigerian subsidiary of a multi-national corporation invites applications from Nigerian citizens for the position of Treasurer. Located at the Company's headquarters in Lagos, the person appointed will report directly to the Managing Director. The Treasurer will maintain relations with major banks, assist with import procedures (e.g. bid and performance bonds, letters of credit), monitor cash generation and application, perform credit and collection functions, provide cashier's service, including foreign exchange transactions, and advise on pension and insurance matters. An academic degree in economics or finance and an intimate knowledge of finance and bank procedures, based on at least ten years' directly applicable experience, are required. Salary and benefits will be in line with the importance of the position and the experience expected of the successful candidate. If you would like to find out more about this responsible and challenging opportunity, please send your curriculum vitae, including information on your availability and recent salary history.

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hide Park House, 61a Knightsbridge, London SW1X 7LE Tel: 01-235 6060 Telex: 27874



Internal Audit Manager for leading automotive company

Perkins Engines are the largest manufacturers of diesel engines in the world, and we are looking for an Internal Audit Manager to report directly to our UK Finance Director.

You should be a qualified accountant in your late 20's or early 30's - man or woman. Besides your professional or degree-level qualification, you should have at least 3 years' post-qualification industrial experience in an audit function. Experience should also include work in a sophisticated computer and systems environment.

More importantly you should recognise this position as an entry point to a broader financial management career within our worldwide group.

Your responsibility will be to develop a broadly based internal audit function throughout the Company and there will be special emphasis on improving our financial systems and procedures.

Salary and benefits are those you would expect from a major international company and include membership of our Management Car Scheme. You will be based at our worldwide head offices in Peterborough and generous relocation expenses will be paid to this area, where a wide range of housing is available and prices are amongst the lowest in the country.

Write with details of salary, career, etc. to D. Hindmarch, Director Personnel, Perkins Engines Limited, Eastfield, Peterborough PE1 5NA.



ADMINISTRATION/ OPERATIONS MANAGER

for the Luxembourg Head Office of new international bank with Middle East orientation. Candidates should be thoroughly experienced in all important branch banking Departments and functions and have successfully handled the position of branch Accountant or administration Manager. Experience in international administration/operations at branch and/or Head Office level will be an advantage. Knowledge of French and/or German desirable. The position would be of interest to those currently earning about £7,000 p.a. Foreign allowances would apply on transfer to Luxembourg.

Applications accompanied by detailed curriculum vitae may be sent in strictest confidence to: Box A6049, Financial Times, 10, Cannon Street, EC4P 4BY.

Corporate Planning

City c. £9,000 + car

A major financial group with diversified business interests in the U.K. and overseas, set up its central planning department five years ago and now produces strategic five year and short term plans to an established annual cycle. The department, whose role is recognised as integral to the group's business planning activity, works closely with executive management and the service functions, particularly the finance division. Internal promotion has created a vacancy for an experienced planner in the early 30's, with a professional or graduate training in a numerate discipline. Candidates should be thoroughly conversant with planning methodology and related techniques - particularly in financial analyses and forecasting - and

must demonstrate the ability to produce cogent and concise reports for top management. The key requirement is solid forward planning experience in a large, multi-product enterprise, preferably with an international dimension. Remuneration will be around £9,000 with an attractive range of benefits.

PA Personnel Services Ref: AA26 6100/FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hide Park House, 61a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



BIRMINGHAM STOCKBROKERS ENGINEERING ANALYSTS

wish to expand our established engineering research team in the mechanical/process engineering and related electrical engineering sectors, and require both a senior and junior analyst.

A successful applicant for the senior post is likely to have a good engineering degree (preferably in mechanical or electrical engineering), together with several years' experience in a relevant profession, preferably in an investment institution, preferably with experience of the professional or electrical sectors. Preferred age is 28-35.

A junior analyst will be expected to be responsible for coverage of smaller companies and would ultimately be expected to take responsibility for a specialist sector. Candidates must be capable of expressing themselves concisely and persuasively both orally and in writing. A degree or professional qualification would be an advantage but not essential and consideration will be given to a younger applicant. Preferred age is 24-30.

Salary and benefits will in both cases be negotiable, subject to experience and ability. Please reply with curriculum vitae to: C. G. Porter, Albert E. Sharp & Co., Edmund House, 12 Newhall Street, Birmingham B3 3ER

CHEMICAL/ PHARMACEUTICAL SPECIALIST SALES EXECUTIVE FOR LEADING STOCKBROKERS

Our clients are a large institutional stock-broking firm with a respected research department. They are seeking a specialist sales executive to work closely with their chemical and pharmaceutical analysts and to be responsible for communicating their views to institutional clients.

The ideal candidate will have spent several years as an analyst in these sectors, probably in a firm of stockbrokers where contact with institutional clients is encouraged, and will now be contemplating a more active marketing role. Remuneration will be according to ability and there are excellent prospects of promotion within the selling team.

Applications will be forwarded direct to our client. Please indicate in a covering letter any firms to whom you do not wish to apply. Please send a detailed career résumé, quoting ref. 877 to:

W. L. Tait, Touche Ross & Co., Management Consultants, 4 London Wall Buildings, London, EC2M 5UJ, Tel: 01-588 6644

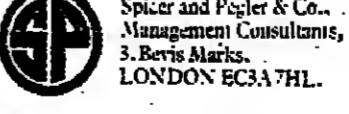
Financial Director c.£17,500+ car

An international public company based in the South East seeks a Financial Director. He or she is to be responsible to the Chief Executive for the complete financial function in UK and Overseas.

Applicants should be Chartered Accountants aged under 45 years with appropriate experience, preferably at board level, of a UK based public company engaged in manufacturing with a turnover exceeding £25M. Proven ability in dealing with UK and overseas problems is more important than a first degree. A practical MBA and/or good linguistic ability could be an advantage.

Initial salary indicator is around £17,500 plus good fringe benefits including a car and relocation expenses.

Please write, in absolute confidence, with brief career details to R. N. Orr, Personnel Services Division.



Spicer and Pegler & Co., Management Consultants, 3, Bevis Marks, LONDON EC3A 7HL.

ATTACHE OR STOCKBROKER'S CLERK

wishing to develop own personal investment clients, offered facilities and assistance by small member firm of London Brokers. In confidence to Box A4859, Financial Times, 10, Cannon Street, EC4P 4BY, or telephone 01-949 4245 (evenings).

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Members of the Stock Exchange. Require Partner's Assistant. Applicants will need to have investment experience and an ability to write good letters. The trust of individual clients has to be gained and the Applicant will have to enjoy meeting people and helping them with their investment problems. Telephone: CHRISTOPHER LEGGE 01-405 6711

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Young firm of City Stockbrokers require a young graduate with good 'A' levels to train as an assistant to the Finance Partner. Reply to: BOX 8857 WALTER JUDD LTD. (Incorporated Practitioners in Advertising) 1a Bow Lane, London EC4M 7EJ

ACCOUNTANT BERMUDA

Major Insurance Group require a Chartered Accountant for their Bermuda office. Excellent conditions of service. Three-year contract.

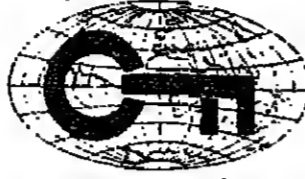
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Have you imagination, enthusiasm and the ability to communicate knowledgeably with professionals in your field of activity?
 Have you the confidence to make the change and accept the challenge of joining an expanding team of sterling money brokers?
 Have you the ambition to earn an above average salary?
 If you have these attributes or have money market dealing experience and are aged 23-33, write with full details of your City experience, or telephone Hugh Davies, Managing Director, Fulton Packshaw Ltd., 34-40 Ludgate Hill, EC4M 7JT. Tel. No. 248 3242.

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Fulton Packshaw Ltd. is the sterling broking subsidiary of Charles Fulton & Co. Ltd., one of the largest firms of international money market brokers.



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All the following opportunities arise with small-medium international banks in the City, each offering rather above average prospects for rather above average people.

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 One's responsibilities will encompass all aspects of F/X and Deposits Accounting, with emphasis on Currency revaluations. Positions analysis.

F/X INSTRUCTIONS to £750
 This position demands both sound "technical" experience and a personal disposition likely to flourish in a distinctly effervescent Dept.

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 A first-class opportunity in a growing team for someone whose Euro-Bond experience includes a knowledge of one of the European clearing systems.

To discuss these possibilities in detail: Telephone John Chiverton, A.I.B. on 01-485 7711

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International Business Development Officer Middle East

Due to the continuing expansion of business in the Middle East, our client—a leading New York-based bank—needs an ambitious man or woman to accept direct responsibility for both existing relationships and new business development in this region.
 With the emphasis very much on marketing, you will be expected to assume considerable authority within a fairly short period of time and there will be plenty of opportunity for advancement in this major growth area. Although permanently based in London, you must be prepared to travel.
 Aged between 26-32, you should have several years' banking experience—ideally gained in an international environment. Fluency in English is essential, a knowledge of Arabic and French would be a distinct advantage.
 An attractive salary, fully commensurate with your qualifications and experience, will be supported by the generous fringe benefits normally associated with a first-class banking institution.
 Please write in the strictest confidence enclosing a full curriculum vitae, including present income, together with a recent passport photograph to: I. W. G. Cluett, at the address below, quoting reference No. IB/192/FT. List separately any companies to which your application should not be forwarded. All replies will be answered.

Young Chartered Accountant

United Biscuits is one of the largest food groups in Europe with a turnover in excess of £500 m. and operates principally in the U.K., U.S.A. and Europe. Significant profit growth has been achieved over the last 10 years and this is expected to continue. There are excellent opportunities for career development within the Group.
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Reporting to the Group Treasurer, the successful applicant will assist in: controlling the Group's banking arrangements throughout the world; supervising the Group's taxation affairs; financial investigations into potential acquisitions; corporate planning. Salary will depend on experience but will be in the region of £7,000. Benefits include generous holidays, superannuation and life assurance schemes and, where necessary, assistance with removal and resettlement. Application form and job description are available from: Miss P. Jung, Personnel Officer, United Biscuits (UK) Limited, Syn Lane, Isleworth, Middx. TW7 5NN. Tel: 01-560 8131.

United Biscuits (UK) Limited

CRAWFORDS CARRS

Senior Corporate Lending Officer International Banking

Our Client, a leading U.S. international Bank, is looking for experienced Corporate Bankers, male or female, for a position in its expanding U.K. Corporate Division.
 Primary responsibilities of the position will be the development and maintenance of relationships with multi-national Corporations, liaison with foreign branches of the bank, the preparation of effective marketing plans and the administration of a small marketing group within the Division.
 The assignment offers a long term career development opportunity and it is anticipated that you will be a self starter who can demonstrate negotiating skills and client handling ability, and are ready to accept the challenge of producing results in a competitive environment.
 You should hold a degree or a professional qualification, and Business School training would be an advantage. Salary will be highly competitive, commensurate with experience and there is a full range of attractive fringe benefits.
 Please write giving full career details to J. M. Stainer at the address below quoting ref. LO/191/FT. List separately any company to whom we should not forward your reply. All replies will be answered.

B&B CONFIDENTIAL REPLY SERVICE, Benton & Bowles Recruitment Ltd., 197 Knightsbridge, London SW7.

BANKING CONSULTANCY

£5,000-£8,000
 Diverse and successful group of recruitment companies seek a SENIOR CONSULTANT for its new Banking Staff Division opening soon. Previous Banking experience essential, and Agency experience preferred.
 Excellent prospects of personal career development. For further details please telephone: 01-385 3384

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The following are among our wide range of current banking vacancies:
 LOAN SYNOICATIONS to £11,000
 INTERNATIONAL LENDING/ BUSINESS DEVEL' M'T to c.£10,000
 CREDIT ANALYST to £7,000
 SENIOR F.X. DEALERS (London/Europe) ... £ negot.
 F.X. ADMINISTRATION ... to c. £4,500
 EUROBOND DEALER to c. £5,000
 ACCOUNTANT (D'seas) to £12,000 net
 CHIEF ACCOUNTANT (A.C.A.) c. £7,000
 DOCUMENTARY CREDITS to £7,500
 AUDIT to c. £5,000
 LOAN ADMINISTRATION to £4,000
 FINANCE REPS to £5,000
 For further details, please contact KENNETH ANDERSON (Director) or MIKE POPE
 Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX. 01-623 126

SWEDISH-BRITISH ASSOCIATION FOR TRADE AND INDUSTRY

DIRECTOR

The Association is creating this new post.

The Director's main tasks will be to promote Swedish-British trade by creating favourable attitudes within all official bodies which can influence it and by extending awareness of Swedish-British trade co-operation through the media and social contacts, and to budget, control and account for the staff and assets of the Association.
 The Director will report to the President of the Council of the Swedish-British Association for Trade and Industry and operate through its sub-committees and staff and will work in close liaison with the Swedish Trade Commissioner's office in London to develop and direct the Association's growing activities in the U.K.
 The successful candidate will most likely be a senior executive in Swedish or U.K. industry. The requirement is for a person of presence and independence of spirit with a proven capacity to influence others through the written and spoken word. Experience of dealing with Government agencies and the Press will be highly desirable. Fluency is required in English and Swedish.
 Remuneration will be into five figures sterling and a car will be provided. Relocation expenses may be discussed.
 All replies accompanied by a curriculum vitae should be sent to:
 JAN W. G. PENSER
 Hon. Secretary
 SWEDISH-BRITISH ASSOCIATION FOR TRADE AND INDUSTRY
 73 Welbeck Street, London W1M 8AN
 Tel: 01-935 9601

SENIOR EUROBOND DEALER

The applicant must have an in depth knowledge of Eurobond markets and be sufficiently experienced to expand the Bank's trading activities, manage a limited number of clients' portfolios and be able to supervise settlements. Salary is negotiable and will include the usual fringe benefits. Please apply in the first instance in writing to Mrs. Jeanne Rout, Personnel Manager.

ib Italian International Bank Ltd.
 P & O Building, Leadenhall Street
 London EC3V 4PT
 Tel: 01-623 8700 Telex 885370 (General)

ACCOUNTANT
 qualified, preferably with much commodity trading company exp. Age range 26-35. £6,000-£8,000 pa. incl. METALS TRADING. With wide international exp. Lead and Zinc. Salary in the £10,000-£15,000 p.a. BACKLIP CLERK. With shipping and contracts for coffee trading company negotiable c. £4,500 p.a.
 01-439 170
 YOUNG SWISS FOREIGN EXCHANGE DEPOSIT DEALER WITH EXPERIENCE IN THE N. AMERICA AND THE MIDDLE SEKS CHALLENGING WORK. Contact either 03-115127 or 3001 Bern, Switzerland.



Kuwait
£14,000+

A well established and successful Kuwait engineering Company seeks a management accountant to head its finance function. He will set up new information and control systems in Kuwait and contribute to corporate policy as a member of the senior management team.

Candidates, probably aged 30-35, will be ACMA or equivalent and must have similar experience in a small to medium-sized engineering services company with multiple cost centres. Rewards include tax free salary around £14,000 plus housing, car and generous overseas benefits. (JA.794)

Candidates should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1, quoting reference. No identities divulged without permission

TRUST ADMINISTRATORS MOVE INTO AN INTERNATIONAL ENVIRONMENT

Progress onto Private Investment Planning £5,250 neg.
 Our client a well respected British INTERNATIONAL MERCHANT bank with offices throughout the world needs minimum probably aged 25-30, with a good understanding of trust work, preferably from a firm or solicitors, to join their 15 strong CITY team handling the affairs of both small and large U.K. and overseas clients.
 The nature of the bank and its clients make this a rewarding opportunity with plenty of scope for development and the use of initiative. Prime BENEFITS include 40p LV per day, as well as MORTGAGE, personal and social interest loans schemes. To apply please ring or write to: Maureen Cross, CRIPPS SEARS & ASSOCIATES (CONSULTANTS), Burnt House, 28 St. High Holborn, London, W.C.1. Telephone: 01-494 3701.

Cripps, Sears

FINANCIAL GROUP DIRECTOR for Public Company in Sussex

£10,000 p.a. + 1% of profits paid + Ford Cortina vehicle, for really progressive, qualified accountant, who is a 'tomorrow's' man or woman NOT an Historian. Group consists of wholesale, retail and manufacturing companies with total salesforce of 45 persons, differing gross profits, etc. Experience in management accounting, cashflow forecasting, mini computers and strong personality essential.
 Written applications to Box A 6057, Financial Times, 10, Cannon Street, EC4P 4BY.

Scottish Development Agency Company Lawyer

(up to £6989 p.a.)

The Agency brings new initiatives and substantial resources to the regeneration and development of Scotland's industry and economy. It has powers to invest direct into industry.
 Applications are invited from advocates or admitted solicitors, who must have experience in company or commercial legal work, and who are capable of exercising considerable personal initiative. The duties of the post will include the detailed scrutiny and, in some cases, the drafting of Sale and Purchase or similar agreements. A knowledge of Share Dealings and Securities is also essential.
 The post will be based in Glasgow, and initial salary will be according to experience and qualifications.
 Applications, giving career and personal details, should be sent to David Swift, Staff Executive, Scottish Development Agency, 120 Bathwell Street, Glasgow, G2 7TP, to arrive not later than 12th September, 1977.

Scottish Development Agency

STOCKBROKING OPPORTUNITIES

INSTITUTIONAL SALES. Experienced person required. Proven sales record with institutions essential. High salary with real prospects.
FIXED-INTEREST SALES. For someone with substantial experience in this field, the position offers extremely generous remuneration.
INVESTMENT ANALYSTS. Experienced general analyst required with knowledge of wide range of industries. Economics graduate with 1/2 years' experience also wanted for general analysis.
 Contact Stephen Sherburne 01-347 1388
 Judy Farquharson Ltd., 7 Gresham Street, EC2.

JFL RECRUITMENT CONSULTANTS

WELL ESTABLISHED WEST-END EXPORT/IMPORT FIRM SEEKS ENERGETIC IMPORT MANAGER

around 35 to join busy Import Department. Must be capable of accepting existing business in general consumer goods and domestic appliances and bring with him/her own existing valid connections. Some experience or knowledge of compensation deals an advantage and also German and/or some French. Willing to travel.
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GOLD MARKET

Gold prices... London Metal Exchange... copper...

FOREIGN EXCHANGE... New York... London...

U.K. nickel... price cut... Our Commodities Editor...

BRASIL... prices... market situation...

Hold-up on 'green krone' change angers Danes

BY CHRISTOPHER PARKES
Danish Bacon and butter exporters were angered and worried yesterday by the failure of Denmark's Common Market partners to give immediate approval to a request for a 5 per cent devaluation of the 'green krone'.

Japan's 'final offer' on sugar deal

BY OUR OWN CORRESPONDENT
JAPANESE SUGAR refiners made their final offer to the world sugar market yesterday, with a revision over the next three years.

U.S. option programme approved

By Our Commodities Editor
LONDON DEALERS yesterday welcomed the news that the U.S. Commodity Futures Trading Commission has agreed in principle to go ahead with the proposed three-year pilot programme for commodity options.

MARGINAL MILK PRODUCERS IN BRITAIN

An offer they can't afford to refuse?
BY CHRISTOPHER PARKES
When the Minister of Agriculture talks about small, inefficient farmers, most people in Britain assume that he is referring to those two-thirds-and-a-half cow Continental producers who milk a fat living out of the EEC's Common Agricultural Policy.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Commodity, Price, and Change. Includes sections for SE METALS, SOYABEAN MEAL, and GRAINS.

SOYABEAN MEAL

Table showing Soyabean Meal prices for various grades and origins, including U.S. and European sources.

U.S. Markets

Table listing U.S. market prices for various commodities such as wheat, corn, and soybeans.

CLASSIFIED ADVERTISEMENT RATES

Table detailing advertising rates for different types of classified ads, including single columns and full pages.

WOOL FUTURES

Table showing Wool Futures prices for various grades and origins, including Australian and New Zealand wool.

FINANCIAL TIMES

Table providing financial data and market indicators, including stock prices and interest rates.

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expanded commodity service has all the very charts and indicators to provide you the answers.

MEAT/VEGETABLES

Table listing Meat and Vegetable prices for various types of meat and produce.

STERLING PRICES

Table showing Sterling prices for various metals and commodities, including platinum and gold.

FINANCIAL EXPERTS REASSESS COMMODITIES - HAVE YOU?

reprint of an article comparing results of investments in commodities with alternatives will be sent to you if you also return this coupon.

Farm loan rates cut

By Our Commodities Staff
THE AGRICULTURAL Mortgage Corporation has cut the rate of interest for existing quarterly reviewed variable rate loans from 12 per cent to 11 per cent.

COFFEE

Table showing Coffee prices for various grades and origins, including Arabica and Robusta coffee.

STOCK EXCHANGE REPORT

Talk of reduction in MLR helps index through 500 with a gain of 10.0 to 500.9—Gilts sharply better

Account Dealing Dates
First Declara- Last Account
Dealings Date Dealings Day
Aug. 22 Sep. 1 Sep. 2 Sep. 13
Sep. 5 Sep. 15 Sep. 16 Sep. 27
Sep. 19 Sep. 29 Sep. 30 Oct. 11

whole variety of issues ranging from the shorts through to the longest maturities. The performance of sterling remained a major influence in market sentiment.

half earnings and IWI hardened to 57p in front of to-day's interim figures. ICI rose steadily to close 9 better at 42 1/2, after 42 1/2, in front of to-day's half-yearly results.

unmanned source, B. S. and W. W. Gilts gained 5 to 44p. Berwick Timpo rose 3 to 48p on an investment recommendation.

similar gains were seen in British and Commonwealth, 308p, and Haring improved to 53p prior to the announcement of a bid approach.

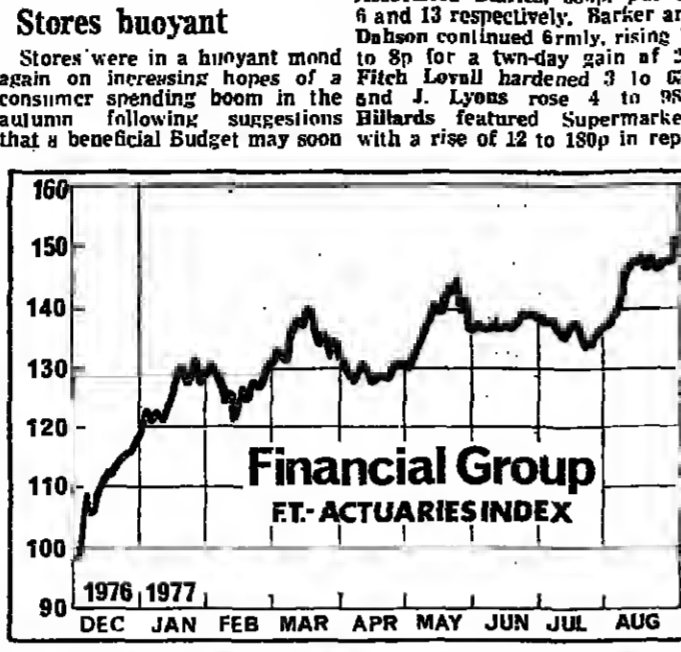
Trading conditions remained quiet judged by official markings of 5.01, but the recent advance was taken a useful stage further on renewed buying which left widespread gains to 1 in British Funds and to 9p and more in leading shares.

continued good tone in sterling adversely affected sentiment in the investment currency market and, despite the presence of a small institutional demand, the premium on these nearly two points down at 8 1/2 per cent.

Linford dominated busy Foods and closed 80 higher at 230p on the substantially increased earnings. J. Salisbury improved 9 in 1977, while Park Farms, 274p, and Associated Dairies, 336p, put on 6 and 13 respectively.

Against the trend, Volvo lost 50 at 650p for a two-day loss of 75 on abandonment of its planned merger with Saab-Scania.

CRAs shares sagged in the Australian sector, losing 8 to 197p on lack of interest. The apparent lack of near-term prospects caused Pancontinental to lose 100 to 650p and Peko-Walsend to fall 15 to 380p among the Uranium stocks.



FINANCIAL TIMES STOCK INDICES table with columns for various indices like Government Secs, Fixed Interest, Industrial Ordinary, etc., and their values for different dates.

HIGHS AND LOWS table showing high and low prices for various stocks like Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines.

ACTIVE STOCKS table listing various stocks with columns for Stock, Denomination, Closing price, Change on day, and 1977 high/low.

NEW HIGHS AND LOWS FOR 1977 table listing new high and low prices for various stock categories like British Funds, Corporate Bonds, etc.

RISES AND FALLS YESTERDAY table showing percentage changes for various stock categories like British Funds, Corporate Bonds, etc.

Banks firmer
Home Banks firmed in sympathy with the general trend but the volume of business remained small.

Dealers reported a busier day in insurance. Comment on the half-yearly figures helped London United Investments put on 8 to 120p, while further buying ahead of the interim results due on September 1 left Sun Alliance 10 higher at 358p.

Press comment on the interim report directed fresh attention to the chairman's optimistic report. Royal Worcester down

Deals were suspended yesterday in Milk and Allen International at 95p and 88p respectively at 11p pending details of the proposed merger whereby M and A is to acquire Vasseur.

Although London-based financials were overshadowed by the industrial market, RTZ stood out with a rise of 6 to 215p with small buying reacting to a slight stock shortage in the afternoon.

Broad advance in Gilts
Actively broadened in Gilts-edged as the shorter maturities joined in an all-round advance which ended with quotations at the day's highest and showing fresh gains

Gains among the Engineering leaders ranged to 8 in Hawker at 294p. Elsewhere, persistent demand in a market short of stock prompted a rise of 10 1/2 in Glywood, while British-Indians rose 1 1/2 to 31 1/2.

Investment Trusts became a backwater with shares carving narrowly in idle trading and closing with little alteration. SET Engineering (General) rose 2 to 96p in front of a preliminary statement.

Shipings had a better day and at the day's best, P. and O. Deferred rose 4 to 144p, while

MONTHLY AVERAGES OF STOCK INDICES table showing average values for various indices from Aug to May.

THE WEIR GROUP LIMITED INTERIM STATEMENT. Results for 25 weeks ended 24th June, 1977. Subject to Audit. CONSOLIDATED PROFIT AND LOSS ACCOUNT. TURNOVER, PROFIT BEFORE INTEREST AND TAX, PROFIT AFTER TAX, EARNINGS PER SHARE, INTERIM DIVIDEND, TRADING AND PROSPECTS.

RECENT ISSUES table listing various stocks and their prices. FT-ACTUARIES SHARE INDICES table showing various equity groups and fixed interest price indices.

FT-ACTUARIES SHARE INDICES table showing various equity groups and fixed interest price indices. Includes sections for EQUITY GROUPS, GROUPS & SUB-SECTIONS, and FIXED INTEREST PRICE INDICES.

The Weir Group Limited Cathcart Glasgow G44 4EX

DEALING DATES
First Last For
Last Last For
Deal. Declara- Settling-
ings tion ment
Sep. 13 Sep. 26 Dec. 6 Dec. 19
Sep. 27 Oct. 10 Dec. 20 Jan. 10

15 30-yr. Red. Deb. & Loans (15) 94.45 (15.68) 54.37 54.30 54.36 54.38 54.68 54.56
16 Investment Trust Profs. (15) 61.11 15.82 61.11 61.11 61.07 61.08 61.08 60.84
17 Coml. and Indl. Profs. (20) 69.81 13.13 68.77 68.77 68.44 69.44 69.44 69.44

ES STOCK INDEX, CLOSING PRICES, CHANGES, LOWS FOR THE DAY, RISES IN FUND MANAGERS, YES, MORE IN...

AUTHORISED UNIT TRUSTS

Table of authorised unit trusts including: Guardian Royal Ex. Unit Mgrs. Ltd., Practical Invest. Co. Ltd., Henderson Administrations, etc.

BASE LENDING RATES

Table of base lending rates for various banks and financial institutions.

LEADERS AND LAGGARDS

Table of leaders and laggards in the market, listing various funds and their performance.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including: Arbutnot Securities (C.I.) Limited, Fidelity Mgmt. & Res. (Cdn.) Ltd., Kemp-Gee Management Jersey Ltd., etc.

INSURANCE, PROPERTY, BONDS

Table of insurance, property, and bond funds including: Abbey Life Assurance Co. Ltd., Equity & Law Life Ass. Soc. Ltd., Sun Court Property Fund Mgrs. Ltd., etc.

CLIVE INVESTMENTS LIMITED, 1 Royal Exchange Ave., London EC3V 3LU. Includes CORAL INDEX: Close 499.504 and INSURANCE BASE RATES.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds with columns for Stock, Div. Yield, and Price. Includes Treasury Spec 77-78, Treasury Spec 78-79, etc.

CANADIANS

Table of Canadian Stocks with columns for Stock, Div. Yield, and Price. Includes Alcan, Inco, Northern Copper, etc.

BUILDING INDUSTRY - Continued

Table of Building Industry Stocks with columns for Stock, Div. Yield, and Price. Includes Balfour Beatty, Bovis Lend Lease, etc.

DRAPERY AND STORES - Continued

Table of Drapery and Stores Stocks with columns for Stock, Div. Yield, and Price. Includes Debenhams, Debenhams Group, etc.

ENGINEERING - Continued

Table of Engineering Stocks with columns for Stock, Div. Yield, and Price. Includes BAE Systems, BAE Systems Group, etc.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase Stocks with columns for Stock, Div. Yield, and Price. Includes ANZSA, Bank of Montreal, etc.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics Stocks with columns for Stock, Div. Yield, and Price. Includes ICI, ICI Chemicals, etc.

ELECTRICAL AND RADIO

Table of Electrical and Radio Stocks with columns for Stock, Div. Yield, and Price. Includes A.R. Electronics, A.R. Electronics Group, etc.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools Stocks with columns for Stock, Div. Yield, and Price. Includes A.C. Machinery, A.C. Machinery Group, etc.

INTERNATIONAL BANK

Table of International Bank Stocks with columns for Stock, Div. Yield, and Price. Includes Citicorp, Citicorp Group, etc.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits Stocks with columns for Stock, Div. Yield, and Price. Includes Allied Breweries, Allied Breweries Group, etc.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV Stocks with columns for Stock, Div. Yield, and Price. Includes Anglo Film, Anglo Film Group, etc.

DRAPERY AND STORES

Table of Drapery and Stores Stocks with columns for Stock, Div. Yield, and Price. Includes Debenhams, Debenhams Group, etc.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. Stocks with columns for Stock, Div. Yield, and Price. Includes Anglo Sift, Anglo Sift Group, etc.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Stock, Div. Yield, and Price. Includes Anglo Sift, Anglo Sift Group, etc.

AMERICANS

Table of American Stocks with columns for Stock, Div. Yield, and Price. Includes Alcoa, Alcoa Group, etc.

BUILDING INDUSTRY, TUBES AND ROADS

Table of Building Industry, Tubes and Roads Stocks with columns for Stock, Div. Yield, and Price. Includes Alcon, Alcon Group, etc.

HOTELS AND CATERERS

Table of Hotels and Caterers Stocks with columns for Stock, Div. Yield, and Price. Includes Addis Int, Addis Int Group, etc.

AMERICANS

Table of American Stocks with columns for Stock, Div. Yield, and Price. Includes Alcoa, Alcoa Group, etc.

LOANS (Miscellaneous)

Table of Miscellaneous Loans with columns for Stock, Div. Yield, and Price. Includes Anglo Sift, Anglo Sift Group, etc.

AMERICANS

Table of American Stocks with columns for Stock, Div. Yield, and Price. Includes Alcoa, Alcoa Group, etc.

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Large table on the right side of the page containing various stock prices and market data, including columns for High, Low, and Price.

NEW JAPAN SECURITIES

NEW JAPAN SECURITIES Tokyo, Japan London Branch Frankfurt Office

Stock market listings including various company names and their share prices.

PROPERTY-Continued table listing real estate transactions and prices.

TRUSTS-Continued table listing trust investments and their performance.

PREMISES-Continued table listing commercial and industrial property.

MINES table listing mining companies and their shares.

REGIONAL MARKETS table listing stock prices from various international markets.

MOTORS, AIRCRAFT TRADES table listing automotive and aviation related stocks.

COMMERCIAL VEHICLE table listing commercial truck and van manufacturers.

COMPONENTS table listing parts and accessories for vehicles.

SHIPPERS, REPAIRERS table listing shipping and maintenance services.

SHIPPING table listing shipping companies and their vessels.

SHOES AND LEATHER table listing footwear and leather goods companies.

SHIPS, BUILDERS, REPAIRERS table listing shipbuilding and repair firms.

SHIPPING table listing shipping companies and their vessels.

SHOES AND LEATHER table listing footwear and leather goods companies.

SOUTH AFRICANS table listing South African companies.

TEXTILES table listing textile manufacturing companies.

PAPER, PRINTING, ADVERTISING table listing media and publishing companies.

OVERSEAS TRADERS table listing international trading companies.

RUBBERS AND SISALS table listing rubber and sisal producers.

TEAS table listing tea companies.

INDIA AND BANGLADESH table listing companies from these regions.

SRI LANKA table listing Sri Lankan companies.

AFRICA table listing African companies.

MINES table listing mining companies.

CENTRAL RAND table listing mining companies in Central Rand.

EASTERN RAND table listing mining companies in Eastern Rand.

FAR WEST RAND table listing mining companies in Far West Rand.

O.F.S. table listing Overseas Financial Services.

FINANCE table listing financial institutions and services.

CENTRAL AFRICAN table listing mining companies in Central Africa.

AUSTRALIAN table listing Australian companies.

TINS table listing tin companies.

MISCELLANEOUS table listing various other companies.

NOTES table listing financial notes and announcements.

RECENT ISSUES and "Rights" table listing new issues and rights offerings.

REGIONAL MARKETS table listing stock prices from various international markets.

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Callaghan's hint of spring reflation

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE PRIME MINISTER strongly hinted at the opening of his Scottish tour last night that the Government was planning to reflate the economy in the spring.

Mr. Callaghan was in a confident mood after meeting the Scottish executive of the Labour Party in Edinburgh. He talked of reaching the "point of departure" where the economic debate could turn from control of inflation to discussion of measures to reduce unemployment.

Earlier, he had told local authority leaders that an improvement in economic prospects—and a corresponding improvement in local authority services—could be expected next spring.

The Prime Minister clearly sees his six-day visit as a prelude to the major speech he will be making to the TUC Congress in Blackpool next week and to the Labour Party Conference next month.

Last night, he declared: "The period of reduced living standards is at an end, and provided we do not return to the situation of 1974-75 we can now begin to see prospects for an improvement in our conditions."

"Our objectives must clearly be to deal with unemployment and get more people to work in manufacturing industry and service industries. We shall continue to attack poverty."

If earnings were kept within the 10 per cent. level set by the Government, the country could look forward to inflation being kept within 10 per cent. during next year.

The average family man with two children had already had a forecast of reduced inflation with £20 income tax rebate in his pay packet this month. There would be a further £10 to £15 before the end of the year, and the benefits of the child benefit scheme would be introduced in April.

Mr. Callaghan said that these would be considered before wage demands were made.

The Scottish Labour executive had pressed the Prime Minister to begin reflation as soon as possible in order to reduce unemployment. Mr. George Robertson, chairman, said there had been some tough talking on both sides.

Mr. Callaghan's response was that although he welcomed any suggestions put to him to reduce unemployment, nothing should be done to jeopardise the gains made over the last two years.

While in Scotland, Mr. Callaghan will be asked to see a management-union delegation from the Babcock and Wilcox plant at Renfrew which wants the Central Electricity Generating Board to speed up the placing of contracts for the Draz B power station.

Owen expects Smith will condemn Anglo-U.S. plan

BY MARTIN DICKSON NAIROBI, August 31.

DR. DAVID OWEN, British Foreign Secretary, now expects Mr. Ian Smith to condemn the new Anglo-American Rhodesian settlement proposals which he is to present to the Rhodesian leader in Salisbury tomorrow.

Although disappointed at his failure to get the backing of either South Africa or the front-line African States for the plan, he hopes that none of the parties to the Rhodesian dispute will reject it out of hand.

Dr. Owen, who has been marking time in Nairobi today, in discussions with Kenya Ministers until the Rhodesian election is over, is known to fear that an outright rejection by one party in Rhodesia will lead to a chain of similar rejections.

British aid is now to leave the plan—which will be published tomorrow as a White Paper—"on the table" as the basis for future negotiations.

Details of the proposals now emerging indicate that the White Paper will be considerably less specific on the key question of security during an interim administration than recent reports have suggested.

The plan is said to provide for: the resignation of Mr. Smith and his replacement by a British administrator under a resident commissioner, who would be in charge of the country for a three to six month interim period leading up to one-man-one-vote general elections to be held shortly before independence next year.

The creation of a Zimbabwe development fund, with international contributions amounting to between \$1.2bn. and \$1.5bn.

The disbursement of funds would apparently be dependent on observance of the independent constitution.

The Anglo-American scheme is also thought to include the partial disbanding of Mr. Smith's army and that of the guerrillas.

Although this may not be spelled out in the White Paper, the two forces would, it is thought, be confined to barracks and a United Nations or international force, "holding the ring" during the interim period, would supervise the amalgamation of the remaining units in a new defence force. This process would, it is hoped, be completed by Independence Day.

Dr. Owen, who is accompanied on his tour by Mr. Andrew Young, U.S. Ambassador to the UN, has been trying to formulate a consensus among the interested parties on precisely how such a military plan would operate.

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THE LEX COLUMN At last the 1968 show

After teetering on the brink for much of the day, the FT 30-Share Index finally pushed through the 500 level at the close, aided by a renewal of hopes for lower interest rates. It is just nine years and one week since the Index first reached this landmark. But to put this hollow achievement into its proper perspective, it should be remembered that retail prices have risen by a factor of 2.8 over the period.

The forces which have been favouring the securities markets since the end of July remain strongly in evidence. Sterling rose further against the dollar yesterday, the instabilities elsewhere in the currency markets helping to produce further substantial foreign exchange inflows. The Bank of England failed to put out a signal on interest rates yesterday, and while it still has time to make a cautious "view" felt before to-morrow's Treasury Bill tender, the fact that it was keeping its options open naturally led to a flurry of activity. Amid rumours of U.S. buying the gilt-edged market made substantial progress, and the overnight rate of the partly paid Exchequer 12½ per cent. 1994 suddenly seemed much less of an obstacle, with the discount on the issue price shrinking to ½ of a point.

Moreover the London financial markets are no longer heating such a lonely path. The French bank rate was cut a point yesterday, the Italian house rate has leapt since the discount rate was cut over the week-end, and the Tokyo equity market reached a new peak yesterday.

Encouraged by U.S. price cutting, the copper price has fallen by 27 per cent. since March and looks likely to stay down, freeing groups like Imperial Metal Industries, Delta Metal and McKechnie Brothers from most working capital worries. All three are also still benefiting from rights issues or new financings. So the emphasis now is very much on volume and earnings.

DMI has produced first-half profits 76 per cent. up at £18m. pre-tax, and 90 per cent. up at the attributable level, on turnover gain. The apparent over-increase of 27 per cent. is due to the initial impact of the merger last year, which included with the first of three years ded exchange and stock profits Middle Eastern desalination contracts; only very modest

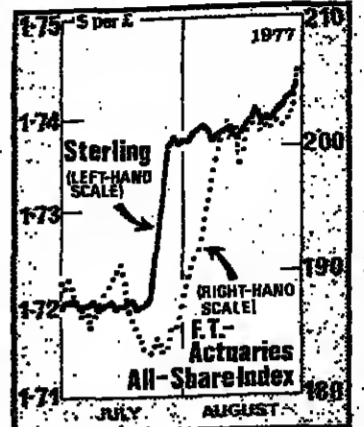
profits are being taken stage, although Weir's profits are brought to the period of a long tract. Elsewhere, the performed well, buoyant exports also produced a contribution although a bit of a slack in overseas business. The current half-year cast to show some improvement on last year, suggesting at least a p/e of around 10, a reasonable given. It remains optimistic on side, and a bigger contribution than through next year, book on this side, totals £150m. or so, hoping to get it in dozen or so further worth in all some, which it is tendering.

Redfearn Group

Redfearn National fired a powerful bid against the unmet bid from Rheem, the U.S. The bid of at least as present offer document, was based on the price premium of 21 per cent. level, ruling before were announced, and Rheem acquired 1 shareholding. But the of the overall stock which has risen a gradually eroding ment, and now Red effectively killed it by obtaining permits create this year's more than 2½ times.

This payment will be over twice coverings, gives a yield of 206p. So the adequately supplies level, and a bid of over half the price enough to persuade holders to hand over against their Board. Redfearn's form But it is already published. Rheem wants contracts in the years has investing fixed assets, then it have to pay more

Index rose 10.0 to 500.9



Strike by 850 air control assistants expected to-day

BY DAVID CHURCHILL, LABOUR STAFF

AN ALL-OUT STRIKE by 850 air traffic control assistants is expected to begin this morning following the issue of an ultimatum by the Civil Aviation Authority to suspend without pay those assistants who refuse to work normally.

The national disputes committee of the assistants' union, the Civil and Public Services Association, decided yesterday to call an indefinite strike as soon as the assistants are suspended. But they decided not to escalate the dispute even further and call out the authority's specialist teleprinter operators and key administrative staff at this stage in the dispute.

The immediate effects of today's all-out strike are unlikely to be different from the substantially reduced scale of operations at most U.K. airports since last Friday, when the assistants started their previous total strike. This is because the authority can use computerised equipment "black" by the assistants.

But if the dispute is prolonged, the position could worsen.

Although the suspension notices on assistants at West Draxton and other air control centres were due to apply to some assistants late last night, the union decided to base the strike call on a token confrontation at 8 a.m. to-day. If a chosen assistant is suspended for refusing to work normally, the union will notify all the assistants to start their strike.

The authority said last night it would carry out the suspensions as planned irrespective of whether the union decided to start its strike.

Although only about half the assistants actually face suspension by the authority, the union decided to call them all out to maintain unity in what could become a lengthy strike. But the union did not call out other members within the authority, as had been expected in response to the ultimatum, because it "was determined not to have its strategy for fighting a long dispute upset by the management's actions."

Members of the union's Civil Service national executive committee yesterday joined the pickets at West Draxton to show their support for the assistants, who are in the public, but not the Civil Service.

Prospects for an early settlement still rest largely on the behind-the-scenes efforts of Mr. Len Murray, TUC general secretary, who supports the assistants in their claim.



MR. KEN THOMAS General Secretary of the CPSA.

Carter statement raises hope of U.S. investment in Ulster

BY GILES MERRITT DUBLIN, August 31.

THE IRISH GOVERNMENT last night was making it plain that it thought the most significant and hopeful aspect of President Carter's Ulster statement was his call to Americans for an end to financial aid for paramilitary organisations.

But Irish officials have stressed that the Carter statement, with its necessary unconditional call for reconciliation, will not figure high on the agenda when Mr. Jack Lynch, the new Irish Prime Minister, meets Mr. James Callaghan in London later this month.

The possibility that Mr. Carter's reference to increased U.S. investment in Ulster may be a hint that assistance will be more forthcoming has spurred Mr. John Hume, deputy leader of the mainly Catholic Social Democratic and Labour Party, to suggest that Ulster's political leaders should visit Washington.

Mr. Hume called on Mr. Ray Mason, the Northern Ireland Secretary, yesterday to include political representatives of both communities in his mission when he goes to the U.S. to seek industrial investment in early October.

He added that a joint Unionist-SDLP initiative "would be received with enormous goodwill."

and if it was successful it would surely have a powerful impact on community opinion here.

"It would demonstrate the real benefits of partnership, particularly in our present economic situation," the Rev. Martin Smyth, a deputy leader of the Official Unionist Party, has said.

"We would be happy to see a joint trade mission going to the U.S."

In Dublin, Mr. Rory O. Bradaigh, president of the Provisional IRA's political front, Provisional Sinn Fein, has issued a statement commenting on Mr. Carter's message. He said it "significantly internationalised the conflict and represented a remarkable shift away from past U.S. policies of non-interference."

Our Belfast Correspondent writes: Inconuous as the President's statement was, it has led to quarrelling between the main political parties in Ulster as to whose policies it endorsed.

The SDLP clearly seized his remarks about the path of reconciliation and co-operation being the best way forward as further support for its stand on power-sharing.

Perhaps the harshest comment was from Mr. Harold McCusker, Unionist MP for Armagh, who said the President was "just another interfering outsider." His statement "would be forgotten in a week."

News Analysis, Page 8; Editorial Comment, Page 16

BOC freed from U.S. injunction

By Stewart Fleming NEW YORK, August 31.

A U.S. district court has lifted an injunction preventing BOC International from developing freely its relationship with the American industrial gas producer Airco, in which BOC acquired a 35 per cent. share stake in 1973.

The court's ruling follows an Appeals Court decision in May reversing a Federal Trade Commission ruling that BOC's share stake violated America's anti-trust regulations.

The injunction obtained by the commission in March 1974 forbade BOC from buying additional Airco shares and exchanging technical information, and restrained the company from transferring its Airco shares.

Although these restrictions are now lifted, still in effect is a private agreement between Airco and BOC under which BOC has agreed not to acquire additional Airco shares until July 1978 without the Airco board's agreement.

Although the commission's case against BOC and Airco was turned down on appeal, the commission has made preliminary moves to appeal against the decision to the U.S. Supreme Court.

However, the district court judge in dissolving the injunction against BOC suggested that it was unlikely that the Supreme Court would agree to review the case.

The company said yesterday there would be no immediate change in its relationship with Airco until the outcome of any commission appeal to the Supreme Court.

Nigeria seeks \$1bn. in first big loan

BY MARY CAMPBELL

NIGERIA IS to raise a \$1bn. loan from foreign commercial banks in its first foray into the international capital markets.

Originally the loan had been expected to be between \$500m. and \$700m.

The loan is likely to be the first of a series for Nigeria which bankers expect will amount to several billion dollars over a period of years.

The thinking behind Nigeria's decision to borrow is that its substantial oil revenues have not been, and cannot be, expected to provide funds fast enough for its ambitious development plans.

Full details of what the funds will be spent on are not yet available and it seems unlikely that the loan will be tied to a particular project.

From the banks' point of view, Nigeria is an attractive proposition for two reasons. As the prestige of being a major oil exporter and it has borrowed very little before.

In today's conditions of high bank liquidity, there has been heavy competition to arrange the first loan for Nigeria. In the end, the three main contenders, Chase Manhattan (the London merchant banking subsidiary of the U.S. bank), Morgan Guaranty, and Deutsche Bank have been named joint lead managers (with Chase as "co-ordinator").

The terms of the loan also reflect Nigeria's attractiveness to international banks—Nigeria will pay a margin over inter-bank rates of 1 per cent. for a seven-year maturity.

TUC and Grunwick

Continued from Page 1

Mr. Ward was adamant that the company would stick to its position even if it was forced to shut down.

"Grunwick has acted within the law, both in letter and spirit. It will not abandon its legal rights and is shocked that it should be asked to do so."

If, by legal action, the company is forced out of business, it will accept its fate, but the hope that such a fate will arouse public opinion to demand better protection from the authorities for those who legally go about their business."

Mr. Ward said that the inquiry, which questioned whether Grunwick had behaved according to the "spirit of the law," had in fact concluded "that where the law is not on the side of the trade unions, businessmen owe it to the community to interpret it as if it were." That said, Mr. Ward, smacked of the "corporate State."

In various parts of Mr. Ward's statement, he attacks the report as illogical, dangerous in its implications and contrary to commonsense, custom and practice.

Weather

U.K. TO-DAY

RAIN in north and west spreading to many central and south western parts. Generally cool. London, S.E. England, E. Anglia, Cent. S. England, E. Midlands, E. England, Channel Is. Breeze, rain spreading from west, probably showery later. Wind south west fresh. Max: 17C (63F).

W. Midlands, S.W. England, S. Wales

Cloudy, rain spreading from west. Wind south west fresh or strong. Max: 16C (61F).

Cent. N. England, N.E. England

Cloudy, rain spreading from west, probably showery later. Wind south west fresh. Max: 16C (61F).

BUSINESS CENTRES

City	Temp	Wind	Clouds
Alexandria	28	SE	bc
Amman	25	SE	bc
Bahra	28	SE	bc
Bahrain	28	SE	bc
Bombay	28	SE	bc
Brussels	15	SE	bc
Buenos Aires	15	SE	bc
Calcutta	28	SE	bc
Cardiff	15	SE	bc
Cebu	28	SE	bc
Dublin	15	SE	bc
Edinburgh	15	SE	bc
Frankfurt	15	SE	bc
Glasgow	15	SE	bc
Hong Kong	28	SE	bc
London	15	SE	bc
Lyons	15	SE	bc
Manila	28	SE	bc
Medan	28	SE	bc
Perth	15	SE	bc
Rangoon	28	SE	bc
Singapore	28	SE	bc
Sydney	15	SE	bc
Tokyo	15	SE	bc
Yokohama	15	SE	bc

HOLIDAY RESORTS

City	Temp	Wind	Clouds
Abaco	28	SE	bc
Algeria	28	SE	bc
Amman	25	SE	bc
Bahra	28	SE	bc
Bahrain	28	SE	bc
Bombay	28	SE	bc
Brussels	15	SE	bc
Buenos Aires	15	SE	bc
Calcutta	28	SE	bc
Cardiff	15	SE	bc
Cebu	28	SE	bc
Dublin	15	SE	bc
Edinburgh	15	SE	bc
Frankfurt	15	SE	bc
Glasgow	15	SE	bc
Hong Kong	28	SE	bc
London	15	SE	bc
Lyons	15	SE	bc
Manila	28	SE	bc
Medan	28	SE	bc
Perth	15	SE	bc
Rangoon	28	SE	bc
Singapore	28	SE	bc
Sydney	15	SE	bc
Tokyo	15	SE	bc
Yokohama	15	SE	bc

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